



HARTANA H
KENYALANG

HARTANA H KENYALANG BERHAD

(REGISTRATION NO. 202401034991 (1580838-V))
(INCORPORATED IN MALAYSIA UNDER THE COMPANIES ACT 2016)



ANNUAL REPORT 2025



HARTANAH
KENYALANG

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ABOUT HARTANAH KENYALANG BERHAD

HartanaH Kenyalang Berhad (“HartanaH” or “the Company”) was incorporated in Malaysia under the Companies Act 2016 on 21 August 2024 as a private limited company and was converted into a public limited company on 23 October 2024. The Company functions as an investment holding entity.

The Company has HartanaH Construction Sdn Bhd (“HCSB”) and HartanaH Kenari Sdn Bhd (“HKS”) as its subsidiaries. These companies are involved in construction services in East Malaysia and West Malaysia respectively.

Since 2010, the Company and its subsidiaries (“the Group”) have grown organically and continue to secure projects of higher value.



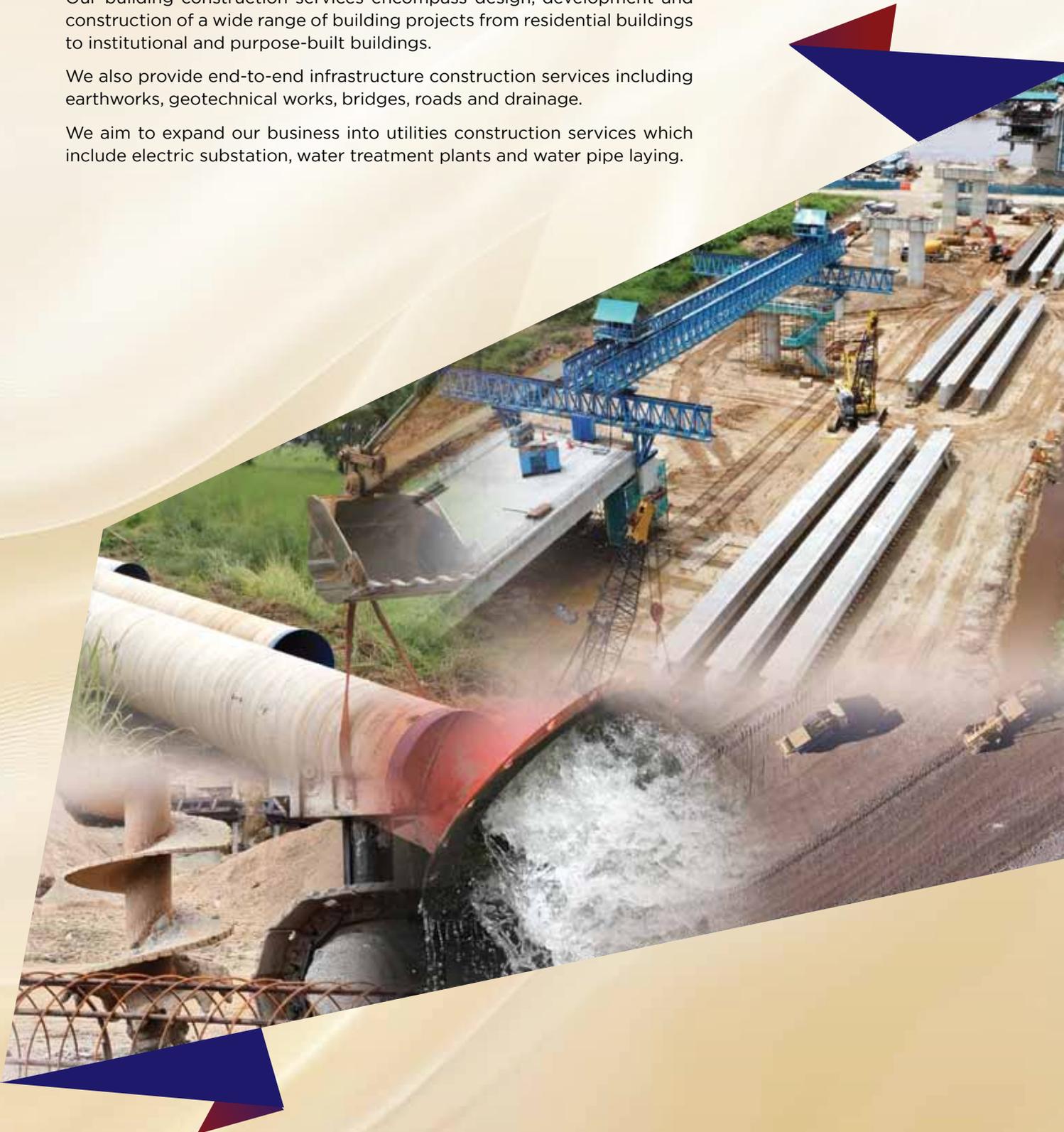
OUR SERVICES

Our business focuses on building construction services and infrastructure construction services.

Our building construction services encompass design, development and construction of a wide range of building projects from residential buildings to institutional and purpose-built buildings.

We also provide end-to-end infrastructure construction services including earthworks, geotechnical works, bridges, roads and drainage.

We aim to expand our business into utilities construction services which include electric substation, water treatment plants and water pipe laying.



CORPORATE INFORMATION

BOARD OF DIRECTORS

DATIN JOSEPHINE ANAK HILARY DOM @ JOSEPHINE JOHN (“DATIN JOSEPHINE”)

Independent
Non-Executive Chairperson

SEAH BOON TIAT

Non-Independent
Executive Director and
Managing Director

SEAH BOON KEE

Non-Independent Executive
Director and
Deputy Managing Director

CHEOK LIAM FOCK (“TONY CHEOK”)

Non-Independent
Executive Director and Chief
Operating Officer

CHOY MUI SENG @ CHAI MUI SENG (“PETER CHAI”)

Non-Independent
Non-Executive Director

FONG YOO KAW @ FONG YEE KOW (“VICTOR FONG”)

Independent
Non-Executive Director

ONG AI-LYN

Independent
Non-Executive Director

CHAI SUK PHIN

Independent
Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson

Victor Fong

Members

Ong Ai-Lyn
Chai Suk Phin

NOMINATION AND REMUNERATION COMMITTEE

Chairperson

Ong Ai-Lyn

Members

Victor Fong
Chai Suk Phin

COMPANY SECRETARY

Pauline Kon Suk Khim
(MAICSA Membership No.: 7014905)
(CCM Practicing Certificate No.:
202008001607)

KSK Corporate Services Sdn Bhd
(Registration No. 200201016695
(584358-U))
E289, 1st Floor, Block E
iCom Square, Jalan Pending
93450 Kuching, Sarawak
Tel No. : +6082-248 491
Email : kskcorporateservices@gmail.com

REGISTERED OFFICE

E289, 1st Floor, Block E
iCom Square, Jalan Pending
93450 Kuching, Sarawak
Tel No. : +6082-481 755

HEAD OFFICE

Lot 7070 & 7071
Section 64, Jalan Pending
93450 Kuching, Sarawak
Tel. No. : +6082-481 755
Fax No. : +6082-341 755
Email : corp@hartanahgrp.com.my
Website: www.hartanahkenyalang.com.my

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) &
AF 1018
2nd Floor, C378, Block C
iCom Square, Jalan Pending
93450 Kuching, Sarawak
Tel No. : +6082-552 688

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
(Registration No. 199601006647
(378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13
46200 Petaling Jaya, Selangor
Tel. No. : +603-7890 4700

SPONSOR

TA Securities Holdings Berhad
(Registration No. 197301001467
(14948-M))
28th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Tel. No. : +603-2072 1277

PRINCIPAL BANKERS

United Overseas Bank (Malaysia)
Berhad
Al Rajhi Banking & Investment
Corporation (Malaysia) Berhad
OCBC Bank (Malaysia) Berhad
Bank of China (Malaysia) Berhad
RHB Bank Berhad
CIMB Bank Berhad

STOCK EXCHANGE LISTING

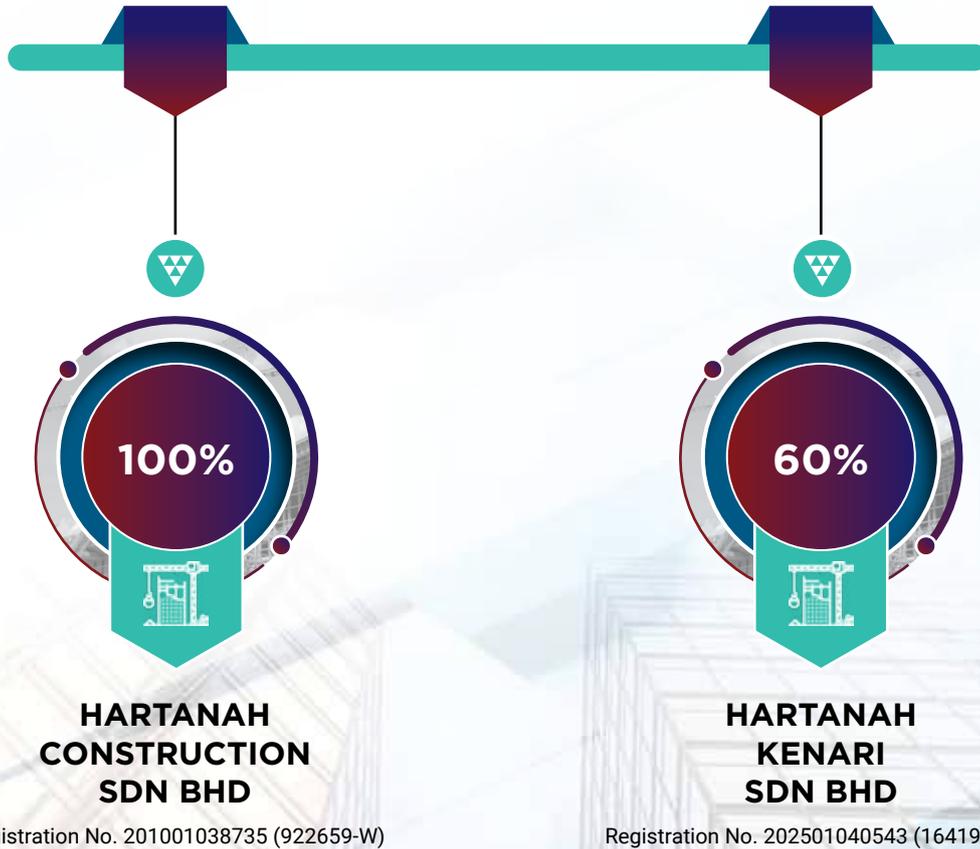
ACE Market of Bursa Malaysia
Securities Berhad
Stock Code: 0359
Stock Name: HKB

CORPORATE STRUCTURE



HARTANAH KENYALANG BERHAD

Registration No. 202401034991 (1580838-V)



CORPORATE KEY MILESTONES

2010

Incorporation of HCSB on 19 November 2010.

2011

Completed its maiden building construction project for the construction of a site office at Samajaya, Kuching, Sarawak and other related works such as construction of pipe support and water pipeline.

2017

Secured its first high rise building project from Sen Meng Kang Sdn Bhd for building construction services of two blocks of 14-storey condominium.

Appointed directly as Kimlun Sdn Bhd's subcontractor to complete the remaining works following the exit of ML Sepakat Sdn Bhd in respect of the Pan Borneo Highway Project.

2016

HCSB registered as a CIDB G4 contractor and secured a project from Pembinaan Cendera Sdn Bhd for building construction services for Sentosa Parade, Kuching, Sarawak.

Secured and completed its first building construction services project using IBS in less than two months, for the construction of a site office located at Simunjan as part of Kimlun Sdn Bhd's Pan Borneo Highway project in Sarawak.

Secured its first major infrastructure construction project from ML Sepakat Sdn Bhd, a subcontractor of Kimlun Sdn Bhd, as part of the Pan Borneo Highway Project. ML Sepakat Sdn Bhd subsequently exited the project.

2019

HCSB obtained the ISO 9001:2015 certification and registered as a CIDB G7 contractor.

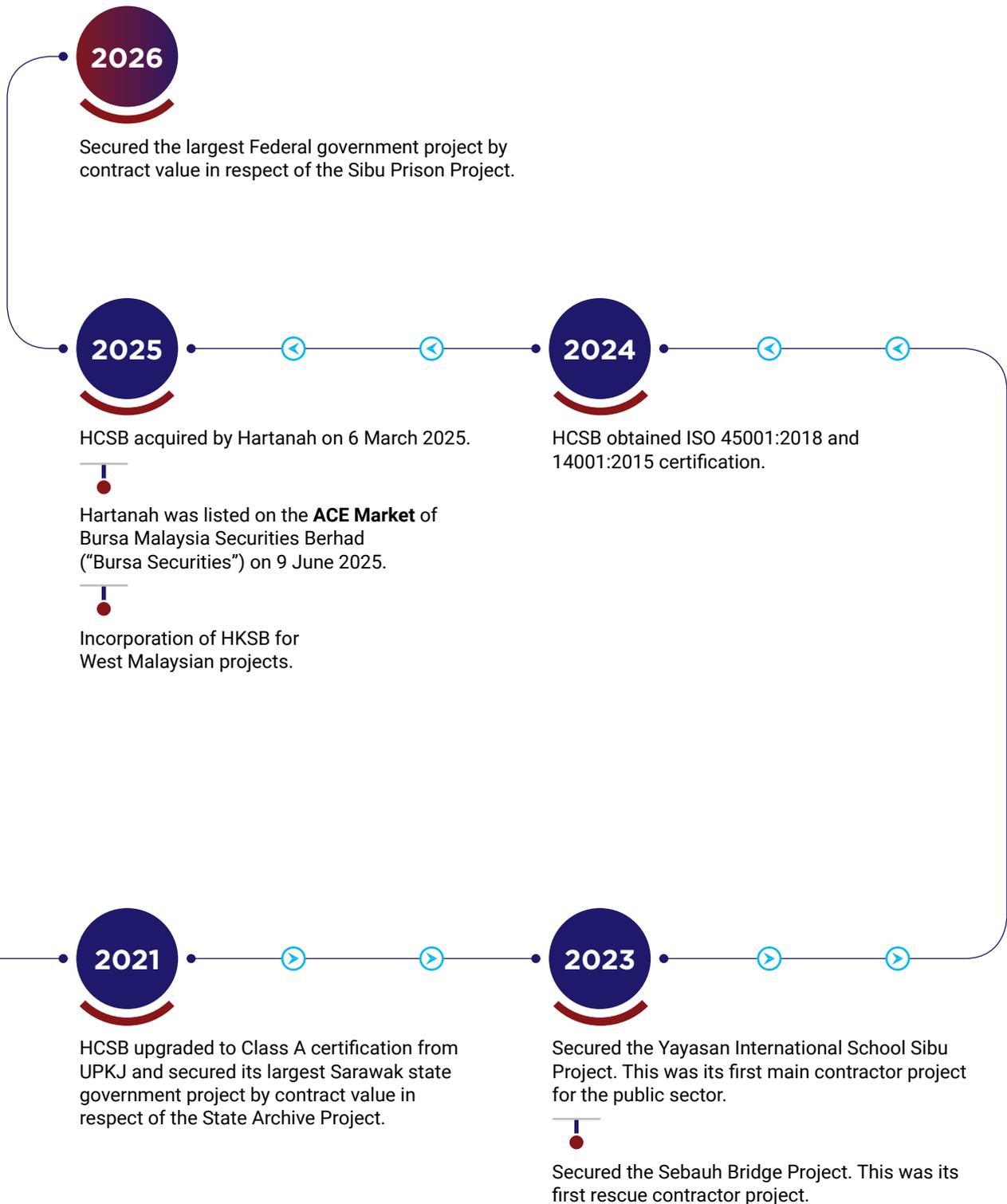
Secured its first institutional building construction services projects in respect of the Sekolah Daif: Lawas and Limbang Project, "Sekolah Daif: Bintulu and Belaga Project," and Sekolah Daif: Kapit Project using IBS.

2020

HCSB obtained Class D certification from UPKJ.

Secured its first major infrastructure construction project in Sabah, namely the Sg. Padas Bridge Project.

CORPORATE KEY MILESTONES (CONTINUED)



CHAIRPERSON'S STATEMENT

DEAR VALUED STAKEHOLDERS,

On behalf of the Board of Directors ("Board"), I am pleased to present the inaugural Annual Report of Hartanah Kenyalang Berhad for the financial year ended 31 October 2025 ("FY2025"), a pivotal year that marked our successful listing on the ACE Market of Bursa Securities and the beginning of our journey as a public listed construction company.

DATIN JOSEPHINE
Independent Non-Executive Chairperson



CHAIRPERSON'S STATEMENT (CONTINUED)



MILESTONE YEAR

FY2025 was a defining year for Hartanah. The first half of the year was primarily focused on completing the efforts leading to our listing on 9 June 2025, making us the first Sarawak-based construction company to be listed on the ACE Market of Bursa Securities.

Following the listing, our attention shifted back to building the business – expanding our tender pipeline and focusing on design-and-build opportunities in Sarawak, while venturing into new segments such as water and substation projects. We also incorporated Hartanah Kenari Sdn Bhd to explore selective projects in West Malaysia, signalling the first step in our geographic diversification strategy.



BUILDING ON OUR STRENGTHS

The Malaysian construction industry in FY2025 remained challenging yet rich in opportunity. In our home state of Sarawak, numerous public infrastructure and institutional projects are in the pipeline under Sarawak's ongoing development agenda. I am confident that given our track record and competitive strengths, these projects will yield opportunities for Hartanah. However, project implementation and budget prioritisation remain key variables affecting the pace of new awards.



PERFORMANCE OVERVIEW

During FY2025, the Group completed three school projects and continued working on major infrastructure contracts, including the Sebauh Bridge Project in Bintulu and the State Archive Project in Kuching. These projects reflect our capabilities and resilience.

The Group recorded total revenue of RM124.7 million, which remained broadly stable compared with the total revenue RM127.6 million in the previous financial year, reflecting the stability and continuity of our project portfolio.

Profit before tax ("PBT") amounted to RM3.5 million, compared with RM13.5 million in the previous financial year. The lower reported PBT was largely attributable to lower gross profit and increased overheads associated with the expansion of corporate and operational functions following the Company's listing as well as completion of several major projects during the financial year. Nonetheless the Board is encouraged by the Group's underlying operating performance which remains profitable.

The Group's financial position strengthened significantly following the initial public offering ("IPO"), with a higher equity base, improved liquidity and a reduction in borrowings compared with the previous financial year. Cash flows from operations improved year-on-year, providing the Group with greater financial flexibility.

Overall, the Board is pleased with the Group's performance in its first year as a public listed company and believes that the Group is well-positioned to pursue future growth opportunities while continuing to deliver sustainable value to shareholders.

CHAIRPERSON'S STATEMENT (CONTINUED)



DELIVERING ON COMPLEX AND HIGH-IMPACT PROJECTS

Our State Archive Project represents one of Sarawak's most complex institutional developments and the state's early adopters of Building Information Modelling ("BIM") – positioning us as among the few Sarawakian contractors with hands-on BIM experience.

Meanwhile, our Sebauh Bridge Project, where we acted as a rescue contractor, showcased our ability to rehabilitate a distressed project and complete it within budget and schedule.

Our experience in executing Sekolah Daif Projects across remote areas of Sarawak has also honed our capability to innovate – adopting Industrialised Building System ("IBS") to manage logistical challenges and tight completion timelines.



STRATEGIC DIRECTION AND GROWTH

With stronger visibility post listing, our goal is to translate corporate credibility into new contracts and sustainable growth. Our CIDB G7 and UPKJ Class A certifications, combined with our on-time and on-budget project delivery record, reinforce our eligibility for larger-scale public projects. We continue to prioritise government contracts for their payment reliability and project pipeline depth, while remaining open to private-sector opportunities that fit our capabilities.

The adoption of digitalisation, and BIM will remain as cornerstones of our growth strategy, complemented by targeted investments in machineries and information technology related hardware and software, funded through our IPO proceeds.



GOVERNANCE AND SUSTAINABILITY

As a newly listed entity, the Board is committed to embedding strong governance and accountability frameworks from the outset. We have established Audit and Risk Management Committee, and Nomination and Remuneration Committee, both of which comprise Independent Directors. These committees ensure rigorous oversight of risk management, internal controls and remuneration practices, in accordance with the Malaysian Code on Corporate Governance ("MCCG") and the ACE Market Listing Requirements ("Listing Requirements") of Bursa Securities.

Our governance culture is anchored in transparency, accountability, and integrity. This includes the establishment of a Whistleblowing Policy, and clear delineation of Board and Management responsibilities to ensure effective checks and balances.

On the sustainability front, we are aligning with Bursa Securities' enhanced Sustainability Reporting Framework and progressing towards Task Force on Climate-related Financial Disclosures compliance. We are integrating Environmental, Social, and Governance ("ESG") principles as part of senior management's Key Performance Indicators ("KPIs") reflecting our commitment to sustainable growth and responsible leadership.

Beyond financial performance, Hartanah remains committed to contributing to Sarawak's socio-economic development through our projects and operations. We prioritise local hiring, offer vocational training, and actively engage local suppliers and subcontractors to build regional capacity. Our projects, from schools to bridges and roads, directly uplift communities, improve accessibility and support local economies.

CHAIRPERSON'S STATEMENT (CONTINUED)



OUTLOOK AND PROSPECTS

The IPO is a major milestone that reflects a new beginning. We now possess the capital, visibility and platform to accelerate our long-term vision, while contributing to the sustainable development of Sarawak.

On behalf of the Board, I would like to extend my deepest appreciation to our shareholders, employees, Federal government, Sarawak state government, partners, and financiers for their trust and support throughout this pivotal year.

To our new investors – welcome aboard. We are committed to delivering consistent, measurable value and building a company that reflects our tagline: *Your Vision, Our Blueprint*.

I am confident that our best days are ahead and look forward to our journey together.





BOARD OF DIRECTORS' PROFILE

Left to right (Standing)

Victor Fong, Seah Boon Kee,
Seah Boon Tiat, Peter Chai

Left to right (Seated)

Tony Cheok, Chai Suk Phin,
Ong Ai-Lyn, Datin Josephine

BOARD OF DIRECTORS' PROFILE



DATIN JOSEPHINE
Independent Non-Executive Chairperson

Nationality	Gender	Age
Malaysian	Female	72

Datin Josephine, a Malaysian female, aged 72, is our Independent Non-Executive Chairperson. She was appointed to our Board on 28 August 2024.

She graduated with a Bachelor's Degree in Economics from Universiti Malaya in 1976.

She started her career as a Tax Assessment Officer at the Inland Revenue Board Malaysia ("IRB") of Sarawak in 1976. She held various senior management and leadership roles during her 38 years of tenure with the IRB. Her last two positions were State Director of Wilayah Persekutuan Kuala Lumpur from 2012 to 2013 and State Director of Sarawak from 2013 to 2014, where she was responsible for the management and implementation of income tax assessment. In 2014, she retired as the State Director of IRB, Sarawak.

She is an Independent Non-Executive Director of Asteel Group Berhad (formerly known as YKGI Holdings Berhad) since 2023. She also sits on the board of other public incorporated companies, namely, Amanah Saham Sarawak Berhad and Petroleum Sarawak Berhad as an Independent Non-Executive Director since 2022 and 2018, respectively.

She has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group.

BOARD OF DIRECTORS' PROFILE (CONTINUED)



SEAH BOON TIAT

Non-Independent Executive Director and
Managing Director ("MD")

Nationality	Gender	Age
Malaysian	Male	46

Seah Boon Tiat, a Malaysian male, aged 46, is our Non-Independent Executive Director and MD. He is our co-founder and was appointed to our Board on 21 August 2024. He is responsible for the overall management and business operations of our Group, as well as the strategic planning, formulation and implementation of our Group's business strategies.

He graduated with a Bachelor of Engineering in Civil and Structural Engineering (Honours) from the University of Leeds, United Kingdom in 2003.

He started his career in 2003 when he joined Gamuda Engineering Sdn Bhd, a subsidiary of Gamuda Berhad, as a Site Engineer. While he was employed by Gamuda Engineering Sdn Bhd, he worked on two major projects namely Stormwater Management and Road Tunnel Project (construction of the smart tunnel) in Kuala Lumpur and the Pulau Bunting Crossing Project (construction of a bridge and a connecting road) in Kedah.

In 2005, he moved to Kuching, Sarawak to provide freelance consultation and construction services. In 2007, he joined Ecosteel Sdn Bhd, a lightweight steel solutions specialist (including IBS) in Kuching, as a Project Engineer. During his tenure with Ecosteel Sdn Bhd, his involvement includes the design, supply and installation of roof trusses for MRSM Mukah and Inland Revenue Board Malaysia in Sarawak, and the provision of IBS for projects in Singapore and Dubai. In 2010, he left Ecosteel Sdn Bhd and co-founded HCSB with his elder brother, Seah Boon Kee.

He is a major shareholder of the Company.

He does not hold any directorship in any other public company. He is the brother of Seah Boon Kee, our Non-Independent Executive Director and Deputy Managing Director. He is deemed interested in the transactions entered with the related parties which are carried out in the ordinary course of business as detailed in the notes to the financial statements. Except as disclosed therein, he has no personal interest in any other business arrangement with the Group.

BOARD OF DIRECTORS' PROFILE (CONTINUED)



SEAH BOON KEE

Non-Independent Executive Director and
Deputy Managing Director ("DMD")

Nationality	Gender	Age
Malaysian	Male	49

Seah Boon Kee, a Malaysian male, aged 49, is our Non-Independent Executive Director and DMD. He is our co-founder and was appointed to our Board on 21 August 2024. He is responsible for our Group's construction management, machinery and equipment, and procurement functions.

He graduated with a Bachelor of Engineering in Civil and Coastal Engineering (Honours) from the University of Plymouth, United Kingdom in 2000. He is a Graduate Engineer with the Board of Engineers Malaysia since 2001 and a Graduate Member of the Institution of Engineers Malaysia since 2002.

He started his career in 2000 when he joined KTA (Sarawak) Sdn Bhd as a Design Engineer where he was involved in the construction of the Limbang Airport and several hospitals, as well as the design of a diversion channel for flood mitigation in Sarawak.

In 2002, he left KTA (Sarawak) Sdn Bhd to join Inai Kiara Sdn Bhd as a Civil Engineer where he was involved in various projects including the Pelabuhan Tanjung Pelepas - Phase II at Gelang Patah in Johor and the Second Inner Harbour, Bintulu Port in Sarawak. He was promoted to Project Manager in 2006 and oversaw various projects in Sarawak, namely the ASSAR Palm Oil Refinery at Senari, Kuching; the Sekolah Asrama Latihan Kesihatan & Complex Block 46 at Kuching; the Jalan Sibul/Bawang Assan/Seredeng Package II (Sungai Setubah to Batang Seredeng) and the Kuching City Flood Mitigation Work (Phase 1 – Stage 1). He left as a Senior Project Manager in 2012.

In 2012, he joined Naim Land Sdn Bhd, a subsidiary of Naim Holdings Berhad as a Senior Project Manager where he was responsible for project management. In the same year, he was promoted as Project Director and seconded to Vista Megalink Sdn Bhd where he was also responsible for project management, and subsequently promoted as Head of Construction in 2015. During his tenure with Naim Group, he was involved in various construction and infrastructure projects including the refurbishment and improvement of the Tanjung Manis Port at Mukah, Sarawak, the Tanjung Manis Water Supply Project – Phase 1 at Sibu, Sarawak, and the Sg. Buloh – Kajang Mass Rapid Transit project (Package S2 and S4) at Selangor. In 2016, he left Naim Group and joined HCSB which he co-founded in 2010 with his younger brother, Seah Boon Tiat.

He is a major shareholder of the Company.

He does not hold any directorship in any other public company. He is the brother of Seah Boon Tiat, our Non-Independent Executive Director and Managing Director. He is deemed interested in the transactions entered into with the related parties which are carried out in the ordinary course of business as detailed in the notes to the financial statements. Except as disclosed therein, he has no personal interest in any other business arrangement with the Group.

BOARD OF DIRECTORS' PROFILE (CONTINUED)



TONY CHEOK

Non-Independent Executive Director and
Chief Operating Officer (“COO”)

Nationality	Gender	Age
Malaysian	Male	68

Tony Cheok, a Malaysian male, aged 68, is our Non-Independent Executive Director and COO. He was appointed to our Board on 28 August 2024. He is responsible for overseeing the project management team.

He started his career in 1978 in the construction industry with Binaan Muda Bersatu Sdn Bhd as a Supervisor cum Surveyor, where he was involved in the ground surveying works for the construction of several bridges along the Federal Highway in Klang Valley, Selangor. Between 1982 and 1987, he was with Promet Construction Sdn Bhd, initially as a Site Coordinator and subsequently as a Site Manager.

Between 1987 and 1992, he worked for Daly Smith International Pty. Ltd. as a Warehouse Supervisor in Sydney, Australia and was responsible for overseeing the general operations of the warehouse.

Between 1992 and 2000, he assisted his family members in the business operations of M-Panel System (Malaysia) Sdn Bhd, a manufacturer and installer of semi prefabricated systems for building construction.

Between 2000 and 2005, he ventured into the food and beverage industry and established Millennium Sea Food Restaurant in Port Dickson, Negeri Sembilan.

Between 2006 and 2011, he was with Inai Kiara Sdn Bhd as a Construction Manager. During his tenure with Inai Kiara Sdn Bhd, he was involved in various construction and infrastructure projects in Sarawak including the ASSAR Palm Oil Refinery at Senari, Kuching, the Sekolah Asrama Latihan Kesihatan & Complex Block 46 at Kuching, as well as the Jalan Sibul/Bawang Assan/Seredeng Package II (Sungai Setubah to Batang Seredeng) at Sibul.

In 2011, he left Inai Kiara Sdn Bhd and joined HCSB as Project Manager where he was involved in overseeing HCSB's various projects together with our Managing Director, Seah Boon Tiat. In 2014, he left to join Jerai Raya Bina Sdn Bhd as Project Manager where he oversaw the project operations of the company. In 2017, he re-joined HCSB where he remains today as our Executive Director and COO.

He is a major shareholder of the Company.

He does not hold any directorship in any other public company. He is deemed interested in the transactions entered into with the related parties which are carried out in the ordinary course of business as detailed in the notes to the financial statements. Except as disclosed therein, he has no personal interest in any other business arrangement with the Group.

BOARD OF DIRECTORS' PROFILE (CONTINUED)



PETER CHAI

Non-Independent Non-Executive Director

Nationality	Gender	Age
Malaysian	Male	81

Peter Chai, a Malaysian male, aged 81, is our Non-Independent Non-Executive Director. He was appointed to our Board on 28 August 2024. He emerged as a substantial shareholder of Hartanah when he invested in our Group as a strategic investor on 9 February 2022 after being introduced to Seah Boon Tiat in 2021.

He worked on various jobs generally in construction works and sales of building materials in his early years before joining Nippon Paint (EM) Sdn Bhd as a salesman in 1969. In 1971, he was seconded to PT Nipsea Paint and Chemicals ("PT Nipsea") as Sales and Marketing Manager where he oversaw its overall sales and marketing activities in Sumatera, Indonesia.

He left PT Nipsea in 1972 to set up a building materials and hardware trading company namely, Hon Chee Enterprise. In 1973, he returned to PT Nipsea and assumed the role of Assistant General Manager where he oversaw the general operations of the company. In 1975, he was transferred to PT Nus in Jakarta, Indonesia to oversee the Indonesian sales and marketing operations of the paints and coatings division. In 1977, he was promoted as the General Manager of PT Cakung Utama, which is PT Nipsea's packaging division, where he gained operational knowledge in the packaging industry.

In 1980, he joined DPI Sdn Bhd as a Director and spearheaded its venture into manufacturing of aerosol paints. Subsequently in November 1985, he acquired DPI Sdn Bhd. In 2018, he successfully listed DPI Holdings Berhad on the ACE Market of Bursa Securities. In 2022, he acquired 25.0% equity interest in HCSB as part of his investment portfolio.

He is the President of the Sarawak Manufacturing Association and a Council Member of the Sarawak Business Federation since 2022.

He is also the Executive Chairman and Managing Director of DPI Holdings Berhad and a Non-Executive Director of Eneco Refresh Ltd, a company listed on the Australian Securities Exchange Ltd, as well as a director of several private limited companies in Malaysia, Singapore, Australia and Hong Kong.

He is a major shareholder of the Company.

He has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group.

BOARD OF DIRECTORS' PROFILE (CONTINUED)



VICTOR FONG

Independent Non-Executive Director

Nationality	Gender	Age
Malaysian	Male	74

Victor Fong, a Malaysian male, aged 74, is our Independent Non-Executive Director. He was appointed to our Board on 28 August 2024. He serves as the Chairperson of our Audit and Risk Management Committee and also a member of our Nomination and Remuneration Committee.

He graduated with a Bachelor's Degree in Commerce and Administration from Victoria University of Wellington, New Zealand in 1975. He is a Chartered Accountant of the Chartered Institute of Australia and New Zealand since 1977, member of the Institute of Chartered Secretaries and Administrator since 1978 and a member of the Malaysian Institute of Accountants ("MIA") since 1984.

He started his accounting career in New Zealand upon graduation and spent four years working in Lion Breweries Ltd, New Zealand before returning to Malaysia. From 1979 to 1990, he was the Group Financial Controller of a Sarawak-based group of companies, namely Sarawak Pulp Industries Sdn Bhd, before joining Ernst & Young as a Senior Manager in 1991. He was with Ernst & Young for over 20 years and retired as a Partner for its consulting division in 2010.

In 2012, he founded Eden-On-The-Park Sdn Bhd, an integrated retirement resort where he is mainly responsible for the company's overall operational matters and business growth.

He is an Independent Non-Executive Director of Sarawak Oil Palms Berhad since 2014 and DPI Holdings Berhad since 2018.

He has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group.

BOARD OF DIRECTORS' PROFILE (CONTINUED)



ONG AI-LYN

Independent Non-Executive Director

Nationality	Gender	Age
Singaporean	Female	59

Ong Ai-Lyn, a Singaporean and permanent resident of Malaysia, female, aged 59, is our Independent Non-Executive Director. She was appointed to our Board on 28 August 2024. She serves as the Chairperson of our Nomination and Remuneration Committee and also a member of our Audit and Risk Management Committee.

In 1988, she obtained her Bachelor of Laws from the University of Buckingham, United Kingdom and was subsequently admitted as a Barrister-at-Law with the Honourable Society of Lincoln's Inn in 1992. She was admitted as an advocate and solicitor to the Sarawak Bar in 1993.

She started her legal practice in Loa and Lim Advocates as a legal assistant focusing on criminal litigation. Subsequently, in 1994, Loa and Lim Advocates changed their name to Lim, Teo and Ong Advocates and she was promoted to the role of a Partner during the same year where she specialised in criminal and civil general litigation.

In 1998, she joined Goh and Partners Advocates as Managing Partner and changed her area of practice to specialise in conveyancing matters. As the Managing Partner, she was responsible for the day-to-day operations of the firm. Subsequently, she merged her firm with Loke King & Co to form Loke King Goh and Partners in 2002 and was appointed as the Managing Partner in 2009. She specialises in corporate and immigration advisory, as well as probate matters.

She does not hold any directorship in any other public company. She has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group.

BOARD OF DIRECTORS' PROFILE (CONTINUED)



Chai Suk Phin, a Malaysian female, aged 51, is our Independent Non-Executive Director. She was appointed to our Board on 28 August 2024. She serves as a member of our Nomination and Remuneration Committee and Audit and Risk Management Committee.

She is a member of the Association of Chartered Certified Accountants since 2008, a member of the MIA since 2009 and an associate member of the Chartered Tax Institute of Malaysia since 2014.

She started her career in 2001 when she joined Ngu Koon Teng & Co as an Audit Junior where she assisted in preparing audit work. She was promoted to the role of Audit Senior in 2004, taking on responsibilities which include overseeing junior team members and managing complex audit assignments.

In 2005, she joined Deloitte Tax Services Sdn Bhd as a Tax Assistant where she assisted to prepare tax computations and submissions of income tax returns to the IRB. She was subsequently promoted to the role of Manager in 2011 where she was responsible for supervising a tax team. She left in 2024 as the Director of the Tax Division where she was responsible for planning and overseeing the firm's business strategies.

Subsequently in 2024, she ventured into her own business and incorporated Cornerstone Corporate & Tax Services Sdn Bhd (formerly known as Cornerstone Corporate Services Sdn Bhd), a firm that provides tax consultation services to its clients.

She does not hold any directorship in any other public company. She has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group.

NOTES :

None of the Directors has been convicted of any offence within the past 5 years and no public sanctions or penalty was imposed by any relevant regulatory bodies on our directors during FY2025.

Directors' attendance at Board Meeting is listed on page 51 of this Annual Report.



OUR SENIOR MANAGEMENT TEAM

Left to right (Standing)

Lee Chee Yoong, Desmond Foo Jin Sen,
Seah Boon Tiat

Left to right (Seated)

Tok Huey Shin, Seah Boon Kee,
Tony Cheok

OUR SENIOR MANAGEMENT TEAM

SEAH BOON TIAT

Non-Independent Executive Director
and MD

His profile is disclosed in the Directors' Profiles on page 14 of this Annual Report.

Nationality	Gender	Age
Malaysian	Male	46

SEAH BOON KEE

Non-Independent Executive Director
and DMD

His profile is disclosed in the Directors' Profiles on page 15 of this Annual Report.

Nationality	Gender	Age
Malaysian	Male	49

TONY CHEOK

Non-Independent Executive Director
and COO

His profile is disclosed in the Directors' Profiles on page 16 of this Annual Report.

Nationality	Gender	Age
Malaysian	Male	68

OUR SENIOR MANAGEMENT TEAM (CONTINUED)



**DESMOND FOO
JIN SEN**

Chief Financial Officer ("CFO")

Nationality	Gender	Age
Malaysian	Male	49

Desmond Foo Jin Sen, a Malaysian male, aged 49, is our CFO. He heads our Group's Finance and Accounts Department and is responsible for overseeing the overall accounting, information technology and risk management functions for our Group.

He graduated with a Bachelor of Commerce in Finance (Honours) from University of Queensland, Australia in 1999. He has been a member since 2000 and a fellow member of CPA Australia since 2020, and a member of the MIA since 2003.

He joined HCSB in June 2023 as CFO.

He started his career in 2000 and has worked in the accounting and finance capacity in various public, private and listed companies in Sarawak.

He does not hold any directorship in any other public company. He has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group. He has not been convicted of any offence within the past 5 years and no public sanctions or penalty was imposed by any relevant regulatory bodies during FY2025.

OUR SENIOR MANAGEMENT TEAM (CONTINUED)



LEE CHEE YOONG
General Manager, Construction

Nationality	Gender	Age
Malaysian	Male	51

Lee Chee Yoong, a Malaysian male, aged 51, is our General Manager, Construction. He is responsible for tenders, project management and implementation, contract management, coordinating subcontractors, overseeing procurement and quality control matters, as well as the daily operations at all project sites of our Group.

He graduated with a Bachelor of Science in Building from University Technology Malaysia in 2004.

In December 2023, he joined HCSB as a General Manager, Construction. He has approximately 26 years of experience in the construction industry.

He started his career in 1997 in the construction industry and has since worked in Malaysia and Singapore.

He does not hold any directorship in any other public company. He has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group. He has not been convicted of any offence within the past 5 years and no public sanctions or penalty was imposed by any relevant regulatory bodies during FY2025.

OUR SENIOR MANAGEMENT TEAM (CONTINUED)



TOK HUEY SHIN

Procurement Manager

Nationality	Gender	Age
Malaysian	Female	44

Tok Huey Shin, a Malaysian female, aged 44, is our Procurement Manager. She has approximately 20 years of experience in the construction industry. She is responsible for our Group’s procurement activities, project tendering and cost management.

In March 2020, she joined HCSB as a Senior Quantity Surveyor and was promoted as Procurement Manager in 2023.

She started her career in 2004 in the capacity of quantity surveyor and has since worked in various companies in Malaysia.

She does not hold any directorship in any other public company. She has no family relationship with any Directors and/or major shareholder of the Company and has no conflict of interest with the Group. She has not been convicted of any offence within the past 5 years and no public sanctions or penalty was imposed by any relevant regulatory bodies during FY2025.

FINANCIAL HIGHLIGHTS

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total revenue (RM'million)	34.1	50.9	71.2	127.6	124.7
Profit after tax (RM'million)	4.8	6.1	5.7	9.2	2.1
Basic/Diluted earnings per share (sen)*	0.78	0.99	0.91	1.48	0.35
Earnings before interest, tax, depreciation and amortisation (RM'million)	8.1	10.0	9.7	16.6	6.3
Total borrowings (RM'million)	4.8	8.8	14.4	18.4	8.3
Net debts (RM'million)	-0.9	4.4	8.9	8.8	-11.6
Total equity (RM'million)	7.3	15.1	20.8	25.0	45.6
Gearing ratio (times)	0.66	0.58	0.69	0.73	0.18
Net gearing ratio (times)	-0.13	0.29	0.43	0.35	-0.25

Note

* EPS is calculated based on 620 mil shares.

MANAGEMENT DISCUSSION AND ANALYSIS



ABOUT OUR BUSINESS

Hartanah is an investment holding company, while its subsidiaries are principally involved in the provision of building construction services and infrastructure construction services, with a primary focus on projects located in Sarawak. Since our establishment, we have built a proven track record in the successful delivery of government projects that enhance public infrastructure and community facilities, including schools, roads, bridges and public buildings.

Our **building construction services** encompass the construction of institutional, commercial and public facilities such as schools, educational institutions and office buildings. The **infrastructure construction services** segment includes works such as bridges, road networks, drainage systems and related civil engineering works.

We undertake projects primarily as a main contractor, responsible for project management, construction execution, subcontractor coordination and compliance with safety, quality and environmental standards. The business model of the Group is anchored on several key components as follows:

Tendering and Contract Acquisition

The Group participates in predominantly public tenders issued by federal and state agencies. Contracts are awarded based on technical capability, track record, compliance with regulatory requirements (such as ISO certifications), and competitive pricing. As the construction industry evolves, the Group is preparing to compete for design-and-build contracts, which integrate design and construction into a single scope of work.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

ABOUT OUR BUSINESS (CONT'D)

Project Execution and Delivery

The Group primarily functions as a main contractor, managing the construction process from start to finish by coordinating directly with clients and engaging qualified subcontractors and suppliers, where necessary. Operational excellence is underpinned by an Integrated Management System ("IMS") that merges ISO 9001 (Quality), ISO 45001 (Safety) and ISO 14001 (Environment) standards, ensuring consistent quality, safety and environmental compliance across all construction sites.

Cost Management and Profitability

Cost control is a critical part of the business model. The Group mitigates cost escalation risks by locking in material prices when they fall within the project's bill of quantities and managing labour and machinery deployment efficiently. Projects are typically billed based on milestone completion on a regular basis, providing predictable cash flow and reducing payment collection risk.

Technology Integration and Capability Building

The National Construction Policy 2030⁽¹⁾ mandated all public and private sector construction projects to implement BIM, a tool to improve design coordination and construction efficiency. The Sarawak Government followed suit by mandating the use of BIM for all building projects above RM10 million in value and infrastructure projects above RM100 million in value by 2030⁽²⁾. The Group has invested in adopting BIM which enhances its competitiveness in securing future projects, particularly as clients increasingly specify the use of BIM for public works.

Community and Local Value Creation

Beyond construction delivery, the Group's business model incorporates a socio-economic component by hiring local labour, sourcing materials from regional suppliers, and awarding subcontracts to local businesses. This not only supports community development but also strengthens the Group's local networks and reputation.

Geographical Expansion and Growth

While the Group's revenue is predominantly from government projects in East Malaysia, it is now expanding into West Malaysia through its 60%-owned subsidiary, Hartanah Kenari Sdn Bhd. This move aims to diversify the Group's revenue base and reduce geographical concentration risk.

Our business continues to be driven by demand for public infrastructure and facilities, supported by government development plans and spending. With a strong foundation built on quality execution, regulatory compliance and operational excellence, the Group is well-positioned to capture growth opportunities in Malaysia's construction sector and deliver long-term value to our stakeholders.

¹ National Construction Policy 2030, Construction Industry Development Board (CIDB) Malaysia

² https://premierdept.sarawak.gov.my/web/subpage/news_view/18270/UKAS

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



OVERVIEW

Utilisation of Proceeds raised from the IPO

As at 31 October 2025, the Group had utilised RM16.4 million of the total RM19.3 million raised from its IPO. The IPO proceeds were primarily used for project working capital, repayment of borrowings, purchase of IT related hardware/software and defraying listing expenses. Utilisation of IPO proceeds remains on track and within the stipulated timeframes, with the remaining balance expected to be deployed as planned.

Use of Proceeds	Estimated Timeframe for Use ⁽³⁾	Proposed Utilisation		Actual Utilisation	Reallocation ⁽⁴⁾	Balance to be Utilised
		RM'000	%	RM'000	RM'000	RM'000
Purchase of machineries and IT related hardware and software	Within 24 months	3,000	16	46	–	2,954
Project working capital	Within 18 months	10,494	54	10,707	213	–
Repayment of borrowings	Within six months	2,100	11	1,887	(213)	–
Defray fees and expenses relating to the listing	Within two months	3,750	19	3,750	–	–
Total		19,344	100	16,390	–	2,954

Operating Environment

Malaysia's economy ended 2025 on solid footing, supported by domestic demand and investments. Through 2025, growth remained resilient, with Gross Domestic Product ("GDP") expanding 5.2% year-on-year in the third quarter. Momentum was aided by consumption and a rebound in the construction and mining sectors.

Budget 2025 set RM421.0 billion in total expenditure, comprising RM335.0 billion for operating expenditure and RM86.0 billion for development expenditure⁽⁵⁾, sustaining multi-year commitments to infrastructure and public-service delivery. The development allocation framed a continued pipeline for transport, education, healthcare and utilities projects.

In Sarawak's Budget 2025, an expansionary budget of RM15.8 billion⁽⁶⁾, focusing on economic diversification, digital transformation, green initiatives (e.g. hydrogen and renewables) and human capital development, aims to boost GDP growth towards Post COVID-19 Development Strategy 2030.

³ From the date of the Company's listing on 9 June 2025.

⁴ The IPO proceeds initially allocated for the repayment of borrowings have been partially reallocated to project working capital.

⁵ Ministry of Finance, Budget Speech 2025, 18 October 2024

⁶ Premier of Sarawak, Budget Speech 2025, 11 November 2024

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OVERVIEW (CONT'D)

Operating Environment (Cont'd)

For Hartanah, this continued spending from the government, accommodative policy, and sustained development expenditure has supported the Group's tender activity in FY2025. This translates to securing three (3) new contracts up to 30 January 2026.

The three new projects are as follows:

- RM43 million Serikin Immigration Post and Quarters project commencing December 2025 for 24 months;
- RM184 million Upgrading and Repair of the Sarawak Stadium commencing January 2026 for 12 months; and
- RM275 million Construction of Sibu Prison commencing February 2026 for 36 months.

External factors influencing project execution and performance include:

- Government procurement processes, which continue to affect the timing of contract awards; and
- New regulatory requirements, including mandatory ISO 37001:2025 Anti-Bribery Management System certification for contractors bidding on projects above RM100 million by 2026/2027 and the Government Procurement Bill 2025.

Emerging market trends show a shift towards design-and-build contracts, and the Group is preparing to adapt to this change by strengthening its capabilities and tender strategies accordingly.

Strategic Initiatives

Throughout FY2025, the Group outlined several strategic priorities. The progress is as follows:

1. Expansion of building and infrastructure construction works: The Group was awarded the Gedong Infrastructure Project and the Sadong Infrastructure Project.
2. Provision of design and build services: The Group has begun exploring opportunities in this segment after successfully implementing partial design and build services in our Sekolah Daif projects.
3. Adoption of BIM: The Group had subscribed for a BIM software and ensured that its relevant staff have undergone training.
4. Investment in new machineries: New excavators will be acquired once a major project has been secured.

The Group continues to leverage on its track record in notable projects such as the State Archive Project (one of Sarawak's first projects to use BIM), the Sg. Padas Bridge Project and the Yayasan International School Sibu Project, all of which demonstrate its capability to deliver on time and within budget. The government's confidence in our previous track record was demonstrated by the award of contracts.

While the Group remains focused on government projects due to strong pipeline opportunities, it is diversifying geographically by tendering for government projects in West Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



FINANCIAL AND OPERATIONAL PERFORMANCE

For FY2025, the Group recorded revenue of RM124.7 million, compared with RM127.6 million in the preceding financial year. The marginal decline in revenue was mainly attributable to the completion of several major projects during the financial year, which resulted in lower revenue recognition in the latter part of FY2025.

Despite the relatively stable revenue base, the Group's PBT declined to RM3.5 million from RM13.5 million in the previous financial year. This was primarily due to:

- Higher administrative expenses arising from the Company's listing exercise, including professional fees and compliance-related costs; and
- Increased overheads associated with the expansion of corporate and operational functions following the Company's listing on the ACE Market of Bursa Securities which introduced new regulatory, governance and operational requirements that did not exist when the Group was privately held. These include higher regulatory and compliance cost, external professional fees, corporate governance structure with the introduction of independent directors, expansion of finance and reporting functions, and investor relations and public communications.

Operationally, the Group continued to execute its ongoing projects across Sarawak, with construction activities progressing in line with project schedules. The Group also completed several large-scale projects during the financial year, contributing to steady revenue recognition despite the competitive operating environment.

Dividend

As an investment holding company, the Company's income – and accordingly its ability to pay dividends – is primarily dependent on dividends received from its subsidiaries, whether current or future. In recommending dividends, the Board seeks to strike a balanced approach between allowing shareholders to participate in the Group's profits and retaining sufficient reserves to support future growth.

The Board has adopted a dividend policy that targets a payout of up to 30.0% of the Group's audited consolidated profit after tax for each financial year. The declaration and payment of dividends remain subject to the discretion of the Board, after due consideration of the Group's financial performance, cash flow position, capital expenditure requirements, future investment plans, working capital needs, banking covenants and prevailing economic conditions, as well as compliance with the Companies Act 2016 and the Listing Requirements of Bursa Securities.

For FY2025, the Company declared a dividend of RM0.62 million, representing 28.9% of the Group's audited profit after tax, or 0.1 sen per share.

The Board will continue to adopt a prudent and balanced approach in managing shareholders' returns while ensuring that sufficient resources are retained to support the Group's operational requirements and long-term growth objectives.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL AND OPERATIONAL PERFORMANCE (CONT'D)

Segmental Performance

The Group operates through two principal business segments: building construction services and infrastructure construction services. Overall, the Group's revenue remained relatively stable year-on-year, demonstrating the diversified nature of the Group's project portfolio.

Segment	FY2025 Revenue (RM'000)	% of Total FY2025	FY2024 Revenue (RM'000)	% of Total FY2024	YoY Change (RM'000)	YoY Change (%)
Building construction services	79,424	64	87,774	69	(8,350)	(9.5)
Infrastructure construction services	45,271	36	39,814	31	5,457	13.7
Total	124,695	100	127,588	100	(2,893)	(2.3)

Building Construction Services

The building construction segment remained the Group's primary revenue contributor in FY2025, generating RM79.4 million, which accounted for 64% of the Group's total revenue (FY2024: RM87.8 million or 69%). Revenue from this segment was mainly derived from the State Archive Project and the Yayasan International School Sibul Project.

The year-on-year decline in revenue from this segment was largely due to the completion of several major institutional building projects during the financial year, which reduced the level of work-in-progress towards the latter part of FY2025.

Infrastructure Construction Services

Revenue from infrastructure construction services amounted to RM45.3 million, representing 36% of the Group's total revenue (FY2024: RM39.8 million or 31%). This year-on-year increase in revenue from this segment reflects higher contributions from infrastructure-related works, particularly the Sebauh Bridge Project and the Gedong Infrastructure Project.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



LIQUIDITY AND CAPITAL RESOURCES

Cash Flow Position

As at 31 October 2025, the Group maintained a strong liquidity position, supported by cash generated from operations and proceeds raised from its IPO.

The Group generated net cash from operating activities of RM5.8 million in FY2025, an improvement from RM3.6 million in the previous financial year. This was mainly driven by:

- Improved working capital management
- Stable collection of trade receivables from clients in respect of ongoing projects.

Net cash used in investing activities amounted to RM5.6 million, primarily due to the placement of fixed deposits and capital expenditure for property, plant and equipment.

Net cash from financing activities amounted to RM4.5 million, reflecting proceeds raised from the IPO, partially offset by net repayment of borrowings and trade financing facilities, distribution of dividends and payment of IPO-related expenses.

As at 31 October 2025, the Group recorded cash and cash equivalents of RM10.6 million, compared with RM5.7 million in the preceding year.

Capital Structure and Borrowings

Total borrowings stood at RM8.3 million as at 31 October 2025, comprising short-term trade financing and long-term borrowings. This represented a significant reduction from RM18.4 million in FY2024, following repayments of trade financing facilities and borrowings made using IPO proceeds and internally generated funds.

The Group's net assets increased to RM45.6 million (FY2024: RM25.0 million), with net assets per share rising to 7.36 sen (FY2024: 5.01 sen), reflecting the Company's enlarged share capital following the IPO and retained earnings generated during FY2025.

Capital Commitments

As at 31 October 2025, the Group had approved capital commitments amounting to RM3.0 million, primarily for the purchase of machineries and IT-related hardware and software. These commitments are expected to be fully financed through IPO proceeds.

Overall, the Board is of the view that the Group's existing cash balances, internally generated funds and available banking facilities are sufficient to meet its working capital requirements, capital commitments and debt obligations for the foreseeable future.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



RISK MANAGEMENT

Given the concentration of revenue from government projects, the Group mitigates the risk of delays in collection of trade receivables through implementing regular milestone-based payments.

Other key risks and mitigation measures include:

- Project delays: All completed projects in FY2025 were delivered on schedule after extension of time granted;
- Material cost escalation: Material costs remain within acceptable levels and are often locked in through the bill of quantities;
- Minimum wage implementation: Future tenders are expected to incorporate the costs associated with the implementation of minimum wage policy;
- Reliance on government contracts: The Group continues to focus on government projects due to the strong pipeline; and
- Exploring diversification into West Malaysia: Expansion to West Malaysia by partnering with West Malaysian partner with experience and proven track record.

Governance is reinforced through ISO 9001, ISO 45001 and ISO 14001 certifications, supported by an internal compliance department and site safety officers. No material litigation or contingent liabilities arose during FY2025, other than corporate guarantees for subsidiary borrowings.



SUSTAINABILITY AND GOVERNANCE

Sustainability initiatives are guided by client requirements, with proposals for energy-efficient designs, green materials, and green building standards considered on a project-by-project basis.

The Group's IMS merges ISO 9001, ISO 45001 and ISO 14001 into a cohesive approach that ensures high standards of quality, safety and environmental stewardship throughout the project lifecycle.

Community engagement remains central to the Group's operations in Sarawak and Sabah, with initiatives including:

- Construction of essential infrastructure such as schools, roads, and water systems;
- Employment of local labour and provision of vocational training; and
- Sourcing from local suppliers and contractors.

New policies implemented in FY2025 include preparations for compliance with ISO 37001:2025 and the Government Procurement Bill 2025.

More information is available in the Sustainability Statement section of this Report on pages 36 to 48.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



OUTLOOK AND FUTURE PLANS

The Group remains optimistic about the 12–24 month project pipeline, with RM3.2 billion worth of tenders submitted as at 31 October 2025, all for government projects.

Expansion plans include:

- Securing projects in West Malaysia (initially targeting projects under RM50 million in contract value); and
- Exploring joint ventures with West Malaysia-based contractors for both government and private sector projects.

Key targets for FY2026 include:

- Anticipated award of new projects;
- Deployment of new excavators (subject to project wins); and
- Broader implementation of BIM in project execution.

The Company's IPO has strengthened its capital base, enhancing the Group's visibility and enabling access to funding via equity capital markets.

Looking ahead, the Group is focused on diversifying its revenue base, monitoring industry trends, and expanding into new geographical markets to mitigate over-reliance on projects based in Sarawak and Sabah.

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

This Sustainability Statement outlines the Group's approach to managing sustainability-related matters during FY2025. The Statement has been prepared in accordance with the Sustainability Reporting requirements under the Listing Requirements of Bursa Securities.

As the Group is at an early stage of its sustainability journey, this Statement focuses on governance, key sustainability considerations relevant to the Group's operations, and the steps being taken to progressively strengthen sustainability practices and disclosures over time.

This Sustainability Statement should be read in conjunction with the Group's Prospectus and Annual Report, which provide additional context on the Group's business model, operating environment, and growth strategies.

Scope and Boundaries

The scope of this Sustainability Statement covers the Group's principal business activities in building construction services and infrastructure construction services carried out during FY2025. The Group's operations are primarily project-based and are subject to regulatory, contractual, and safety requirements imposed by relevant authorities and clients.

Unless otherwise stated, the disclosures in this Statement primarily relate to the Group's operations in East Malaysia, where the majority of the Group's projects and activities are located. Sustainability matters associated with newly incorporated subsidiary or expansion into new geographical markets may not be fully reflected in this reporting period.

The Group will continue to review and refine the scope and boundaries of its sustainability disclosures in future reporting periods as its operations expand and sustainability data collection processes mature.

Statement of Limitations and Forward Commitments

This Sustainability Statement reflects information available to Management during FY2025. As this represents a foundation-year disclosure, certain information is qualitative in nature.

The Group is in the process of strengthening its sustainability data collection and reporting capabilities. Sustainability disclosures will continue to evolve in line with business growth, regulatory developments, and stakeholder expectations.

This Sustainability Statement has not been subject to independent external assurance.

SUSTAINABILITY STATEMENT (CONTINUED)

SUSTAINABILITY GOVERNANCE

The Board recognises the importance of sustainability considerations in supporting the Group's long-term business resilience, operational effectiveness, and compliance with regulatory requirements. Oversight of sustainability-related matters is currently undertaken by the Board, with Management responsible for implementing relevant initiatives and managing sustainability-related risks within day-to-day operations.

Sustainability considerations are being integrated into the Group's existing governance and management processes, including compliance with applicable laws and regulations, occupational health and safety requirements, and ethical business practices. The Group operates in a highly regulated environment and is required to comply with laws, regulations, contractual specifications, and approval conditions imposed by relevant authorities and clients.

As at 31 October 2025, the Group has not yet established a dedicated sustainability committee, nor has any senior management role been formally assigned responsibility for sustainability-related matters. The Group is in the process of sourcing an external ESG consultant to support the development of its sustainability framework and governance arrangements.

As part of strengthening its sustainability governance, the Group intends to develop a Sustainability Roadmap to guide the progressive integration of sustainability considerations into its business strategy, operations, and reporting practices. The Sustainability Roadmap is expected to outline priority focus areas, governance enhancements, and key implementation phases, taking into account the Group's business growth, operational complexity, and regulatory expectations.

The Group is also mindful of the increasing emphasis on sustainability and climate-related disclosures under international frameworks, including IFRS Sustainability Disclosure Standards S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures). While the Group is not currently reporting in full alignment with these standards, we intend to use them as reference frameworks to inform the future development of its sustainability governance, risk management, and disclosure practices, where appropriate.

As the Group continues to grow, we intend to progressively formalise our sustainability governance structure, including clearer roles, responsibilities, internal reporting mechanisms, and more structured sustainability planning.

Step-Up Sustainability Reporting

As Hartanah is in its first year as a listed entity, the Group has adopted a step-up approach to sustainability reporting. This approach recognises that sustainability disclosures will be progressively enhanced over time as governance structures are strengthened, internal processes are formalised, and data availability improves. Initial disclosures focus on governance, key sustainability considerations, and qualitative descriptions of management approach, with subsequent reporting cycles expected to incorporate greater depth, structure, and consistency where appropriate.

The step-up approach allows the Group to align the pace and scope of sustainability reporting with operational maturity, regulatory developments, and stakeholder expectations, while ensuring that disclosures remain accurate, balanced, and proportionate to the Group's size and complexity.

SUSTAINABILITY STATEMENT (CONTINUED)

SUSTAINABILITY GOVERNANCE (CONT'D)

Step-Up Sustainability Reporting (Cont'd)

Stage 1: Foundation

Focuses on establishing baseline sustainability disclosures, including governance oversight, identification of key sustainability considerations relevant to the Group's operations, and qualitative descriptions of management approach. Disclosures at this stage emphasise on regulatory compliance, risk awareness, and transparency regarding data limitations.

Stage 2: Structured

Builds on the foundation stage through the formalisation of sustainability governance structures, development of internal policies and procedures, and improved data collection processes. Disclosures at this stage are expected to become more consistent and structured, with clearer linkages between sustainability considerations, risk management, and business strategy.

Stage 3: Enhanced

Represents a more mature stage of sustainability reporting, characterised by more comprehensive and decision-useful disclosures, stronger integration of sustainability considerations into business planning, and increased alignment with recognised sustainability and climate-related disclosure frameworks, such as IFRS Sustainability Disclosure Standards S1 and S2, where appropriate.

MATERIAL SUSTAINABILITY MATTERS

At this stage of the Group's sustainability journey, material sustainability matters have been identified through Management's assessment of the Group's business activities, operating environment, regulatory obligations, and key operational risks, considering the nature of the construction industry.

The identification of material sustainability matters was informed by:

- The Group's project-based construction activities
- Regulatory and statutory requirements
- Key operational, financial, and reputational risks
- Industry-specific sustainability considerations

Given the nature of construction and infrastructure activities, occupational health and safety remains a key operational and regulatory consideration for the Group.

Based on this assessment, the Group has identified the following sustainability matters as relevant to its business:

- Occupational health and safety
- Environmental compliance and impact management
- Ethical business conduct and regulatory compliance
- Human capital management
- Project delivery quality and client satisfaction

As of the time of this Report, the Group has not conducted a formal materiality assessment involving external stakeholders during FY2025. The Group intends to conduct a formal materiality assessment in FY2026, with the assistance of an external consultant, as part of its efforts to strengthen sustainability governance and disclosures for the FY2027 reporting cycle.

SUSTAINABILITY STATEMENT (CONTINUED)

STAKEHOLDER ENGAGEMENT

The Group recognises the importance of understanding and responding to the interests and expectations of key stakeholders whose decisions and actions may affect the Group's business, operations, and long-term sustainability.

At this stage of the Group's sustainability journey, stakeholder engagement is primarily undertaken through existing operational, regulatory, and business interactions. The Group has not established a formalised stakeholder engagement framework during FY2025.

Stakeholder Group	Key Areas of Interest	Current Engagement Approach	Intended / Typical Outcome
Employees and Site Workers	Workplace safety, fair employment practices, training, wellbeing	Day-to-day supervision, site briefings, internal communications, compliance with labour and safety requirements	Safe working environment, regulatory compliance, workforce awareness of safety and work requirements
Clients and Project Owners	Project delivery quality, compliance with specifications, timelines, safety standards	Project meetings, contractual reporting, operational coordination	Timely and compliant project delivery in accordance with contractual and technical requirements
Regulators and Authorities	Regulatory compliance, safety, environmental approvals	Statutory submissions, inspections, compliance reporting	Compliance with applicable laws, regulations, and approval conditions
Suppliers and Subcontractors	Fair procurement practices, payment terms, safety compliance	Contractual agreements, operational coordination, site requirements	Reliable supply chain support, compliance with contractual and safety requirements
Local Communities (where applicable)	Safety, environmental impacts, community disturbance	Project-specific communications and compliance with local authority requirements	Minimisation of community disruption and compliance with local requirements
Shareholders and Investors	Business performance, governance, risk management	Statutory disclosures, Annual Reports, announcements to Bursa Securities	Transparent disclosure and compliance with listing and regulatory requirements

SUSTAINABILITY STATEMENT (CONTINUED)

ENVIRONMENTAL RESPONSIBILITY

The Group recognises that construction and infrastructure activities may give rise to environmental impacts, including energy use, greenhouse gas emissions, water consumption, waste generation, and potential pollution risks. The Group manages these environmental considerations primarily through compliance with applicable environmental laws, regulations, contractual requirements, and project-specific conditions imposed by relevant authorities and clients.

Environmental Compliance and Management

The Group operates in a regulated environment and is required to comply with environmental approval conditions, including those relating to site management, waste handling, pollution prevention, and environmental protection measures. Environmental responsibilities are implemented at the project level in accordance with regulatory requirements and contractual obligations.

There were no environmental impact assessment or additional environmental approvals required for the projects during FY2025. There were no environmental non-compliance notices, penalties, or significant incident recorded.

Energy Use and Greenhouse Gas Emissions

The Group's energy consumption and associated greenhouse gas emissions primarily arise from construction activities, including the use of machinery and equipment, fuel consumption at project sites, and electricity usage at offices and temporary site facilities.

At this stage, the Group does not yet track or report quantitative data on energy consumption or greenhouse gas emissions. As part of its step-up approach to sustainability reporting, the Group intends to progressively enhance its understanding of energy use and emissions sources and explore the development of internal data collection mechanisms in future reporting periods.

Water Management

Water use within the Group's operations mainly relates to construction activities, including site operations and temporary facilities. The Group manages water use in accordance with project requirements, regulatory conditions, and applicable guidelines to minimise unnecessary consumption and avoid adverse impacts on surrounding environments.

The Group is in the process of formalising the water monitoring and data collection process across its operations, with a view of establishing a baseline for the formalisation of its Sustainability Roadmap. For FY2025, there were no water-related restrictions, incidents, or compliance issues.

Waste Management

Construction activities generate various forms of waste, including construction debris and general waste. The Group manages waste through site-level controls, compliance with regulatory requirements, and engagement with licensed waste contractors where required.

Waste handling practices are guided by applicable regulations and project specifications, with an emphasis on proper segregation, storage, and disposal to minimise environmental risks. Types of waste generated include construction waste and general waste. Currently, there are no waste reduction, reuse, or recycling practices implemented on site. However, the Group will seek the advice of an external consultant to categorise waste data and design a waste-reduction plan aligned with the Sustainability Roadmap.

SUSTAINABILITY STATEMENT (CONTINUED)

ENVIRONMENTAL RESPONSIBILITY

Pollution Prevention and Environmental Risk

The Group seeks to prevent environmental pollution and incidents through adherence to site management practices, regulatory requirements, and project-specific environmental controls. Environmental risks are monitored at the operational level, and corrective actions are taken where necessary to address potential or actual environmental issues.

As the Group's operations expand, Management will continue to review opportunities to strengthen environmental risk management practices, including clearer internal procedures and improved monitoring where appropriate.

Continuous Improvement

In line with its step-up sustainability reporting approach, the Group intends to progressively enhance its environmental management practices and disclosures over time. Future focus areas may include:

- Improved identification of key environmental impact areas
- Strengthening internal monitoring and reporting processes
- Enhancing environmental awareness and compliance at project sites

These initiatives will be undertaken in a manner proportionate to the Group's size, operational complexity, and stage of development.

SOCIAL RESPONSIBILITY

Occupational Health and Safety

The Group places strong emphasis on maintaining a safe and healthy working environment for its employees and site workers. Our occupational health and safety ("OHS") practices are guided by applicable occupational safety and health regulations, internal safety procedures, and project-specific safety requirements implemented at construction sites.

In FY2025, the Group conducted a total of seven (7) safety training sessions, covering areas such as site safety awareness, safe work practices, and compliance with safety procedures. These training sessions are intended to reinforce safety awareness among employees and site personnel and to promote a culture of shared responsibility for workplace safety.

During FY2025, the Group recorded three (3) reported safety incidents. Appropriate follow-up actions were taken in accordance with internal procedures, including review of the circumstances and reinforcement of relevant safety measures where necessary.

The Group continues to place importance on strengthening safety awareness and practices across its operations, with the aim of minimising workplace incidents and supporting the wellbeing of its workforce.

SUSTAINABILITY STATEMENT (CONTINUED)

SOCIAL RESPONSIBILITY (CONT'D)

Occupational Health and Safety (Cont'd)

Category	Number of Occurrences
Minor injury	1
Near-miss	1
Minor fire	1
Fatalities	0
Total	3

Human Capital Management

The Group recognises that its workforce is a key contributor to operational performance and project delivery.

As at 31 October 2025, the Group has a total of 143 employees across all levels, comprising 102 male employees (71.3%) and 41 female employees (28.7%).

Category	Male	Female
Senior Management Construction	5	1
Project/M&E/Construction Manager	7	0
Engineer	2	5
Health & Safety/On Site/General Workers	81	13
Finance & Accounts	2	6
Procurement	3	10
Human Resources & Administration	2	6
Total	102	41

Of the total number of 143 employees, 65 (45%) are foreign hires, all of whom are employed as Health & Safety/On Site/General Workers.

The Group's workforce composition reflects the nature of its construction and infrastructure operations, which include a significant proportion of site-based and technical roles. At this stage, the Group does not have formal diversity targets or a standalone diversity and inclusion policy. Diversity considerations are addressed through existing human resource practices and compliance with applicable employment laws and regulations.

SUSTAINABILITY STATEMENT (CONTINUED)

SOCIAL RESPONSIBILITY (CONT'D)

Human Capital Management (Cont'd)

As part of its step-up approach to sustainability reporting, the Group intends to progressively enhance its workforce data collection and review opportunities to strengthen diversity-related policies and disclosures over time.

Training and Development

The Group recognises the importance of training and development in supporting a competent and safety-conscious workforce. During FY2025, training activities were conducted to support operational requirements, regulatory compliance and the effective execution of construction projects.

Training provided during FY2025 broadly covered areas such as occupational safety and health, regulatory and project-specific requirements, operational and technical work practices, as well as basic supervisory and management awareness for selected personnel. These sessions were delivered through a combination of internal briefings, on-site inductions and external programmes, where applicable. A total of 1,434 training hours were recorded in FY2025.

The Group adopts a practical and needs-based approach to training, focusing on reinforcing essential skills, safety awareness and compliance with applicable requirements. Training programmes are implemented based on operational needs, project requirements and available resources. Moving forward, the Group will continue to review its training needs to support operational effectiveness and workforce development.

Community and Social Responsibility (CSR)

The Group recognises the importance of contributing positively to the communities in which it operates, particularly given the nature of its construction and infrastructure activities. At this stage of the Group's development, community and social responsibility efforts are primarily undertaken through project-based interactions and compliance with regulatory and contractual requirements relating to community safety, environmental protection, and minimisation of disruption.

The Group's current approach to CSR focuses on:

- Ensuring construction activities are carried out responsibly and safely in areas surrounding project sites
- Complying with local authority requirements and project conditions relating to community wellbeing
- Minimising inconvenience, safety risks, and environmental impacts on nearby communities

The Group has not established a formal or structured CSR programme during FY2025. Community-related initiatives, where undertaken, are typically ad hoc in nature and aligned with project requirements or local circumstances.

In FY2025, Hartanah donated a total of RM32,500 towards various causes and sponsorships, including education, professional development, and community health and wellbeing.

As the Group's operations and organisational capabilities expand, Management intends to review opportunities to develop a more structured and purposeful approach to CSR, based on community needs, business relevance, and available resources.

SUSTAINABILITY STATEMENT (CONTINUED)

BUSINESS ETHICS AND GOVERNANCE

The Group is committed to conducting its business in an ethical, transparent, and responsible manner, including compliance with applicable laws, regulations, and contractual obligations.

The Group has established human resources policies and an employee handbook to provide guidance on employment practices, workplace conduct, and employee responsibilities. These policies and guidelines support compliance with applicable labour laws and regulations and are intended to promote consistent and fair employment practices across the organisation.

The employee handbook serves as a reference for employees on matters relating to workplace expectations, code of conduct, and basic employment terms. Human resources policies are reviewed and applied in accordance with operational requirements and regulatory developments.

The Group has a Code of Conduct in place, which outlines standards of ethical behaviour, integrity, and professionalism expected of employees and relevant stakeholders. The Code of Conduct is publicly available on the Group's corporate website.

In addition, the Group has established anti-corruption and whistleblowing guidelines to support ethical conduct and provide channels for raising concerns relating to misconduct or improper behaviour. These guidelines are also made available on the Group's corporate website. The Group's approach to business ethics emphasises compliance with applicable laws, regulations, and internal requirements.

During FY2025, there were no confirmed incidents of misconduct, corruption, or breaches of ethical conduct reported to Management.

As part of its step-up approach to governance and sustainability, the Group will continue to review its ethical policies and governance practices to ensure they remain relevant and aligned with regulatory expectations as the business evolves.

More information is available in the Corporate Governance section of this Annual Report on page 49.

LOOKING AHEAD

As outlined in the Group's growth strategies, the Group recognises that sustainability governance, data management, and risk oversight will need to evolve in tandem with business expansion. In the near to medium term, the Group's focus will be on strengthening foundational governance structures, improving internal awareness of sustainability-related matters, and enhancing the consistency and clarity of sustainability disclosures.

In FY2026, the Group intends to take steps to strengthen its sustainability framework, including the appointment of an external ESG consultant to support the development of a Sustainability Roadmap and to prepare for enhanced sustainability reporting in subsequent reporting cycles. The Sustainability Roadmap is expected to guide the phased integration of sustainability considerations into the Group's strategy, operations, risk management, and reporting processes.

Key areas of focus moving forward include:

- Establishing clearer governance arrangements and internal accountability for sustainability-related matters
- Enhancing internal processes for identifying, assessing, and managing sustainability risks and opportunities
- Conducting a formal materiality assessment to better understand the sustainability matters most relevant to the Group and its stakeholders
- Improving the availability, quality, and consistency of sustainability-related data across operations
- Reviewing existing policies and practices to support stronger alignment with evolving regulatory and reporting expectations

SUSTAINABILITY STATEMENT (CONTINUED)

LOOKING AHEAD (CONT'D)

The Group is also mindful of the increasing emphasis on sustainability and climate-related disclosures under international frameworks, including IFRS Sustainability Disclosure Standards S1 and S2. While the Group is not currently reporting in alignment with these standards, it intends to progressively use them as reference points to enhance governance, risk management, and disclosure practices, where appropriate.

The Group's approach to sustainability will continue to follow a step-up model, ensuring that enhancements to governance, data, and reporting are proportionate to the Group's size, operational complexity, and stage of development. Sustainability disclosures will be progressively enhanced in future reporting periods in line with business growth, regulatory developments, and stakeholder expectations.

**SUSTAINABILITY STATEMENT
(CONTINUED)**

Hartanah Kenyalang Berhad
BMLR Transition Period

Date & Time: 2026-02-26 14:29:26

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	Management - 1.25, Executive - 10.00, Non-executive - 10.00	Annual anti-bribery and anti-corruption training to all employees.	No assurance
Anti-corruption	C1(b) Percentage of operations assessed for corruption-related risks	Percentage	Nil	All high-risk operations shall be assessed for corruption-related risks by FY2026 and all operations to be assessed for corruption-related risks by FY2027.	No assurance
Anti-corruption	C1(c) Confirmed incidents of corruption and action taken	Percentage	100.00	Zero incident.	No assurance
Community/Society	C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	32,500.00	As and when required.	No assurance
Community/Society	C2(b) Total number of beneficiaries of the investment in communities	Number	6	As and when required.	No assurance
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	Management male - 13.16, Management female - 6.58, Executive male - 28.95, Executive female - 28.95, Non-executive male - 17.10, Non-executive female - 5.26, Management between 30-50 - 18.42, Management above 50 - 1.32, Executive under 30 - 19.73, Executive between 30-50 - 34.21, Executive above 50 - 3.95, Non-executive under 30 - 7.89, Non-executive between 30-50 - 13.16, Non-executive above 50 - 1.32	Zero employment of child labour.	No assurance
Diversity	C3(b) Percentage of directors by gender and age group	Percentage	Male - 62.50, Female - 37.50, Between 30-50 - 25.00, Above 50 - 75.00	Minimum 30% female directors.	No assurance

**SUSTAINABILITY STATEMENT
(CONTINUED)**

**Hartanah Kenyalang Berhad
BMLR Transition Period**

Date & Time: 2026-02-26 14:29:26

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Energy management	C4(a) Total energy consumption	Megawatt hour	454.73	Data currently unavailable due to reporting system transitions, full disclosure in FY2026 report.	No assurance
Health and safety	C5(a) Number of work-related fatalities	Number	Nil	Zero fatality.	No assurance
Health and safety	C5(b) Lost time incident rate	Number	3	Zero incident.	No assurance
Health and safety	C5(c) Number of employees trained on health and safety standards	Number	6	At least 1 trained staff per construction site.	No assurance
Labour practices and standards	C6(a) Total hours of training by employee category	Hours	Directors - 142.50, Management - 740.50, Executive - 556.50, Non-executive - 123.50	At least 8 hours training per staff annually.	No assurance
Labour practices and standards	C6(b) Percentage of employees that are contractors or temporary staff	Percentage	Nil	Not more than 10% of staff strength.	No assurance
Labour practices and standards	C6(c) Total number of employee turnover by employee category	Number	Management - 4, Executive - 11, Non-executive - 2	Not more than 10% of staff strength.	No assurance
Labour practices and standards	C6(d) Number of substantiated complaints concerning human rights violation	Number	Nil	Zero violation.	No assurance
Supply chain management	C7(a) Proportion of spending on local suppliers	Percentage	100.00	At least 90% sourced from local suppliers.	No assurance
Data privacy and security	C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	Nil	Zero breach.	No assurance
Water	C9(a) Total volume of water used	Kilolitre	4783	Data currently unavailable due to reporting system transitions, full disclosure in FY2026 report.	No assurance

**SUSTAINABILITY STATEMENT
(CONTINUED)**

Hartanah Kenyalang Berhad
BMLR Transition Period

Date & Time: 2026-02-26 14:29:26

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Waste management	C10(a) Total waste generated and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal	Ton	Data currently unavailable due to reporting system transitions, full disclosure in FY2026 report.	Data currently unavailable due to reporting system transitions, full disclosure in FY2026 report.	No assurance
Emissions management	C11(a) Scope 1 emissions in tonnes of CO2e	tCO2e	774.97	Data currently unavailable due to reporting system transitions, full disclosure in FY2026 report.	No assurance
Emissions management	C11(b) Scope 2 emissions in tonnes of CO2e	tCO2e	90.49	Data currently unavailable due to reporting system transitions, full disclosure in FY2026 report.	No assurance
Emissions management	C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	tCO2e	Data currently unavailable due to reporting system transitions, full disclosure in FY2026 report.	Data currently unavailable due to reporting system transitions, full disclosure in FY2026 report.	No assurance

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Hartanah recognises that sound corporate governance is fundamental to supporting the long-term sustainability, accountability and overall performance of the Group. Accordingly, the Board remains focused on ensuring that appropriate governance structures, processes and internal controls are embedded across the Group to promote responsible stewardship and sustainable value creation.

In discharging its fiduciary duties, the Board is guided by the principle of acting in the best interests of the Company and its shareholders, while giving due consideration to the interests of other key stakeholders. Continuous efforts are therefore undertaken to strengthen governance practices that promote transparency, ethical conduct, effective oversight and sound decision-making throughout the Group.

This Corporate Governance Overview Statement (“this Statement”) outlines the manner in which the Company has applied the following three (3) key principles of the MCCG during the FY2025: -

- Principle A : Board Leadership and Effectiveness;
- Principle B : Effective Audit and Risk Management; and
- Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Prepared in accordance with Rule 15.25 of the Listing Requirements of Bursa Securities, this Statement should be read together with the Company’s Corporate Governance Report 2025 (“CG Report”) which is available on the Company’s website at <https://hartanahkenyalang.com.my>. The detailed application of the Company’s practices under the MCCG is disclosed in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is responsible for providing overall leadership and strategic direction to the Company and exercises oversight over the conduct of the Group’s business and affairs. As the apex decision-making body, the Board bears collective responsibility for the governance, performance and long-term sustainability of the Group.

In fulfilling its stewardship role, the Board sets the strategic objectives and ensures that these objectives are aligned with the Group’s long-term value creation agenda. This includes reviewing and approving the Group’s strategic plans, annual business plans and budgets, as well as monitoring the management’s performance in implementing the strategies and decisions approved by the Board.

The Board also oversees the conduct of the Group’s operations to ensure that they are managed in a prudent, ethical and professional manner. In this regard, the Board promotes a culture of integrity, accountability and good corporate governance throughout the Group, and ensures that appropriate policies, frameworks and internal controls are established and maintained.

Recognising that business activities are subject to various risks, the Board provides leadership in setting the Group’s risk appetite and ensures that a sound risk management and internal control framework is in place to identify, assess and manage material risks. The Board remains accountable for safeguarding the Group’s assets and ensuring compliance with applicable laws, regulations and regulatory requirements.

While the Board retains overall responsibility for the governance and strategic direction of the Group, the day-to-day management of the Group’s operations is delegated to the management. Clear lines of authority and accountability are established between the Board and the management to ensure effective oversight, operational efficiency and a balanced distribution of responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

Board Leadership

The Board is led by an Independent Non-Executive Chairperson (“Chairperson”), whose role is distinct from that of the MD. This separation of roles ensures a clear division of responsibilities and promotes an appropriate balance of power and authority within the Board, thereby enhancing accountability and independent oversight.

The Chairperson provides leadership to the Board and is responsible for ensuring its effectiveness in all aspects of its role. This includes setting the Board agenda, facilitating constructive and open discussions, encouraging active participation from all Directors, and ensuring that Directors receive accurate, timely and relevant information to support informed decision-making. The Chairperson also promotes effective communication and engagement between the Board and the management.

The MD is responsible for the day-to-day management of the Group’s business and operations, and for implementation of the strategies, policies and decisions approved by the Board. In discharging this responsibility, the MD is supported by the management team and is accountable to the Board for the operational and financial performance of the Group.

The clear delineation of roles between the Chairperson and the MD supports effective board governance and reinforces the Board’s ability to exercise independent judgment, while enabling the management to manage the Group’s operations efficiently within the strategic framework established by the Board.

Board Committee

To assist in the effective discharge of its responsibilities and to enhance governance oversight, the Board has established board committees with clearly defined mandates and authority. Each committee operates under formal Terms of Reference approved by the Board and within the scope of responsibilities delegated to it, while the Board retains overall accountabilities for all decisions and actions taken.

The board committees serve to facilitate focused deliberation and detailed review of specific matters, enabling the Board to operate efficiently and effectively. The committees report their deliberations, recommendations and decisions to the Board for consideration, ensuring transparency and collective accountability. Ultimately, the Board retains the authority to make final decisions on all matters, except to the extent that certain matters are delegated by the Board to the said committees.

The Board has established the following committees:

- a) Audit and Risk Management Committee, which assists the Board in overseeing matters relating to financial reporting, risk management, internal controls, internal and external audit, and regulatory compliance; and
- b) Nomination and Remuneration Committee, which assists the Board in matters relating to board composition, appointments, succession planning, performance evaluation and remuneration of Directors and senior management.

Each committee is comprised of Independent Non-Executive Directors to promote objective judgment and independent oversight. The committee members bring with them the requisite skills, experience and expertise appropriate to the nature and scope of their respective responsibilities.

The Board regularly reviews the composition, Terms of Reference and effectiveness of its committees to ensure that they remain relevant and effective in supporting the Board’s governance responsibilities and the Group’s strategic objectives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

Company Secretary

The Board is supported by a qualified company secretary who, in addition to discharging her statutory duties under the Companies Act 2016, advises the Board on corporate governance matters, regulatory compliance, and adherence to the Company's Constitution and governance policies.

The Company Secretary is qualified to act as a company secretary under the Companies Act 2016 and is a Chartered Secretary and Chartered Governance Professional, as well as a Fellow of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

In support of the Board's work, the company secretary facilitates the conduct of Board and Board Committee meetings, ensures the proper recording and maintenance of minutes, and supports the timely flow of information to enable informed decision-making.

All board members have unrestricted access to the advice and services of the company secretary. The appointment and removal of the company secretary are matters reserved for the Board, thereby reinforcing the independence and accountability of the role.

Board Commitment

The Directors recognise that effective discharge of their duties requires a high level of commitment, integrity and diligence. Each Director is expected to devote sufficient time and attention to the affairs of the Company to enable informed participation in Board and Board Committee deliberations and to contribute meaningfully to decision-making.

Directors are required to attend Board and Board Committee meetings regularly and to adequately prepare for such meetings by reviewing materials provided in advance. In accepting appointments to the Board, Directors confirm that they are able to allocate sufficient time to fulfil their responsibilities, taking into account their other professional commitments.

The Board monitors the commitment and attendance of Directors on an ongoing basis to ensure that they continue to meet the expectations of the role. Directors are also expected to keep themselves informed of developments affecting the Group and the regulatory environment in which the Group operates, and to uphold high standards of professionalism and ethical conduct at all times.

Below are details showing the attendance of the Directors at the Board meetings held for the FY2025:

Name of Directors	Board of Directors Meeting	Percentage of Attendance
Datin Josephine Anak Hilary Dom @ Josephine John	3/3	100%
Chai Suk Phin	3/3	100%
Cheok Liam Fock	3/3	100%
Choy Mui Seng @ Chai Mui Seng	3/3	100%
Fong Yoo Kaw @ Fong Yee Kow	3/3	100%
Seah Boon Kee	3/3	100%
Seah Boon Tiat	3/3	100%
Ong Ai-Lyn	3/3	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

Board Charter

The Board has adopted a board charter which clearly sets out the roles, responsibilities, authority and matters reserved for the Board, as well as the governance framework within which the Board operates. The board charter serves as a key reference point for Directors in the discharge of their duties and responsibilities and supports the consistent application of high standards of corporate governance across the Group.

The board charter delineates the respective roles of the Board and the management, thereby promoting clarity of accountability and an appropriate balance between oversight and execution. It also outlines the principles governing Board composition, leadership structure, decision-making processes and ethical standards expected of Directors.

The board charter is reviewed periodically to ensure that it remains relevant and aligned with applicable laws, regulatory requirements and evolving best practices in corporate governance. Any amendments to the board charter are subject to the Board's approval.

The board charter is available on the Company's website.

Good Business Conduct

The Board is committed to fostering a culture of integrity, ethical conduct and professionalism throughout the Group. The Board believes that strong ethical standards are fundamental to sustainable business practices and to maintaining the confidence of shareholders, customers, business partners and other stakeholders.

To support this commitment, the Group has established a framework of policies and guidelines that set out the standards of behaviour expected of Directors, the management and employees in the conduct of the Group's business and operations. These policies promote high standards of corporate governance practices, honesty, transparency, accountability and compliance with applicable laws and regulations.

The following policies are implemented across the Group: -

- (i) Code of Conduct and Ethics;
- (ii) Anti-Bribery and Corruption Policy;
- (iii) Whistleblowing Policy; and
- (iv) Directors' Fit and Proper Policy.

The above-mentioned policies are available on the Company's website.

Sustainability Governance

The Board together with the management is responsible for overseeing the Group's sustainability governance, practices, strategies and performance. Sustainability governance is integrated into the Group's overall governance framework to ensure that Environmental, Social and Governance ("ESG") considerations are appropriately taken into account in the Board's oversight and decision-making processes.

The Board provides oversight of sustainability-related matters, including the identification and the management of material sustainability risks and opportunities relevant to the Group's business and operations. The management is responsible for the implementation of sustainability initiatives and practices, supported by designated in-house personnel tasked with coordinating and managing sustainability-related matters across the Group. This structure enables sustainability considerations to be embedded into day-to-day operations and business processes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

Sustainability Governance (Cont'd)

In overseeing sustainability governance, the Board ensures that appropriate policies, controls and processes are in place to support responsible conduct, regulatory compliance and ethical business practices. Sustainability considerations are also incorporated into the Group's risk management framework to promote balanced and informed decision-making.

The Board remains committed to progressively enhancing the Group's sustainability governance and practices in line with evolving regulatory requirements, stakeholder expectations and best practices, taking into account the Group's size, nature of operations and stage of development.

A detailed Sustainability Statement including the integration of ESG factors into the Group's operations is set out in this Annual Report.

Directors' Training

All the Directors have completed the Mandatory Accreditation Programme Part I within the prescribed timeline. During the FY2025, the Directors have attended two or more of the following training programmes to better equip themselves in discharging their duties and responsibilities:

COURSE	DATE
• Malaysia Plantations Insights, Bursa Malaysia	6 February 2025
• Corporate Restructuring and Compulsory Liquidation	17 February 2025
• Capital Gains Tax (CGT) on Foreign and Domestic Transactions	21 February 2025
• Mandatory Accreditation Programme (MAP)	26-27 February 2025
• Financial Essentials for Non-Finance Directors	3 March 2025
• ESG Matters @ACCA - Carbon Trading - Navigating Opportunities in Malaysia's Low Carbon Future	11 March 2025
• Strengthening Tax Governance for Compliance and Risk Management (MIA)	13 March 2025
• AI for Manufacturing Transformation by Criterion Leadership and Training Consultancy	26 May 2025
• Transfer Pricing & Tax Corporate Governance	27 May 2025
• IPO Dialogue with Securities Commission Malaysia	9 June 2025
• Post Listing Obligations of Directors and Listed Issuer on the ACE Market Listing Requirement	16 June 2025
• Sales and Services Tax (SST) Expansion 2025 - What's New and How it will affect your Business	20 June 2025
• Corporate Governance & Ethical Decision Making	10 July 2025
• ACCA Malaysia: How to Measure Sustainability Performance Optimally: Target Setting and Choosing the Right Metrics?	17 July 2025
• Anti-Bribery & Anti-Corruption Awareness with MACC Sarawak	31 July 2025
• National Tax Conference 2025	5-6 August 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

Directors' Training (Cont'd)

All the Directors have completed the Mandatory Accreditation Programme Part I within the prescribed timeline. During the FY2025, the Directors have attended two or more of the following training programmes to better equip themselves in discharging their duties and responsibilities: (Cont'd)

COURSE	DATE
• ACCA Members Briefing - Stamp duty Developments & Risks	22 August 2025
• MAICSA-ACCA Webinar on Audit Exemption 2025: What Every Company Needs to know	27 August 2025
• TechInsights: Building an AI Literate Finance Team - From Buzzwords to Business Impact	28 August 2025
• Capital Gains Tax and Real Property Gains Tax	23 September 2025

Board Composition and Diversity

The Board is composed of eight (8) Directors, comprising one (1) MD, two (2) Executive Directors, one (1) Chairperson, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The composition of the Board is structured to provide an appropriate balance between Executive and Non-Executive Directors, with a strong element of independence to support objective judgment and effective oversight. This composition adheres to the Listing Requirements which requires that a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is the higher, must be Independent Directors.

In shaping its composition, the Board places emphasis on diversity of skills, experience, professional background and perspectives, which contributes to more effective deliberations and well-informed decision-making. The current Board reflects a broad range of competencies and experience, enabling it to consider strategic and operational matters from multiple perspectives. Director appointments and employee recruitment are conducted through fair and objective processes, with selection based solely on merit, relevant skills and experience, and without discrimination.

Gender diversity is recognised as an important component of Board effectiveness. In line with the recommendations of the MCCG, the Board supports the aspiration to achieve at least 30% female representation. As at the end of the financial year, the Board comprises three (3) women Directors, representing 37.5% of the total Board composition.

The Board remains attentive to the tenure of its Independent Non-Executive Directors in accordance with the MCCG. An Independent Non-Executive Director who has served for a cumulative period exceeding nine (9) years may continue to serve subject to the Board providing appropriate justification and obtaining shareholders' approval at the Annual General Meeting ("AGM") through a two-tier voting process. In accordance with MCCG guidance, any Independent Non-Executive Director who has served beyond twelve (12) years is required to either resign or be re-designated as a Non-Independent Director. As at the date of this Statement, none of the Company's Independent Non-Executive Directors has served on the Board for a cumulative period exceeding nine (9) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

Nomination & Remuneration Committee

The Nomination and Remuneration Committee (“NRC”) assists the Board in matters relating to Board composition, appointments and re-election of Directors, succession planning, performance evaluation, and remuneration of Directors and senior management. The NRC operates under clearly defined Terms of Reference approved by the Board. The Chairperson of the Board is not a member of the NRC, thereby reinforcing independence and objectivity in the committee’s deliberations.

During the FY2025, it has three (3) members, comprising entirely of Independent Non-Executive Directors, as follows:

CHAIRPERSON

Ong Ai-Lyn (*Independent Non-Executive Director*)

MEMBERS

Chai Suk Phin (*Independent Non-Executive Director*)

Fong Yoo Kaw @ Fong Yee Kow (*Independent Non-Executive Director*)

In discharging its duties, the NRC undertakes responsibilities in the areas of nomination, Board effectiveness and remuneration, in support of the Board’s governance and oversight functions.

During the FY2025, the NRC carried out the following key activities in relation to nomination and Board effectiveness matters:

- a) Reviewing the size, composition, balance and diversity of the Board and Board Committees, including the mix of skills, experience, independence and gender diversity;
- b) Assessing the candidates for the appointment of director in subsidiary;
- c) Assessing and recommending re-appointment and re-election of Directors based on objective criteria, including competence, integrity, professionalism, independence and ability to devote sufficient time to the role;
- d) Reviewing the tenure and independence of Independent Non-Executive Directors annually to ensure continued compliance with regulatory and MCG requirements;
- e) Overseeing Board and senior management succession planning;
- f) Reviewing the effectiveness of the Board as a whole, Board Committees and the contribution of individual Directors, and reporting the outcome of such assessments to the Board; and
- g) Reviewing Directors’ training needs and development programmes to ensure Directors remain equipped to discharge their duties effectively.

In accordance with the Company’s Constitution, an election of Directors shall take place every year where one-third (1/3) of the Directors for the time being or, if their number is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) shall retire but shall be eligible for re-election; provided always that all Directors shall retire from office at least once in every three (3) years.

The NRC is guided by the Fit and Proper Policy in assessing the suitability of Directors for appointment and re-election. The application of the policy is delegated to the NRC and is reviewed periodically by the Board, or as and when deemed necessary. The Fit and Proper Policy is available on the Company’s website.

Based on the evaluation results performed by NRC and the Board on 9 December 2025, the Board was satisfied with the performance of each individual Director and its Board Committees. All Independent Non-Executive Directors have fulfilled the independence standards prescribed under the Listing Requirements of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

Nomination & Remuneration Committee (Cont'd)

In respect to remuneration matters, the NRC assists the Board by undertaking the following:

- Reviewing and recommending the remuneration framework, policies and packages for Executive Directors and senior management, ensuring alignment with performance, responsibilities, market practices and the Group's long-term objectives;
- Ensuring that remuneration structures promote sound risk management and do not encourage excessive risk-taking;
- Reviewing the remuneration of Non-Executive Directors, taking into account their responsibilities, experience and time commitment, with such remuneration subject to shareholders' approval at the AGM; and
- Reviewing KPIs for Executive Directors and senior management and assessing performance against approved targets.

A review of remuneration packages is conducted annually and where necessary, adjusted to appropriately reflect their performance, responsibilities, job functions and market trends. On 9 December 2025, the NRC reviewed and recommended the Directors' fees to the Board.

A summary remuneration of the Directors for the FY2025 distinguishing between Executive and Non-Executive Directors in the aggregate, with categorisation into appropriate components set out below:

	FEES		SALARY & BONUS		MEETING ALLOWANCE		EPF & OTHER BENEFITS		TOTAL	
	Company RM	Subsidiaries RM	Company RM	Subsidiaries RM	Company RM	Subsidiaries RM	Company RM	Subsidiaries RM	Company RM	Subsidiaries RM
Executive Directors										
Seah Boon Kee	60,000	-	-	601,448	2,500	-	-	94,005	62,500	695,453
Seah Boon Tiat	60,000	-	-	601,448	2,500	-	-	94,861	62,500	696,309
Cheok Liam Fock	60,000	-	-	601,448	2,500	-	-	89,449	62,500	690,897
Non-Executive Directors										
Datin Josephine Anak Hilary Dom @ Josephine John	60,000	-	-	-	8,750	-	-	-	68,750	-
Chai Suk Phin	60,000	-	-	-	9,000	-	-	-	69,000	-
Choy Mui Seng @ Chai Mui Seng	60,000	279,600	-	39,600	2,500	-	-	-	62,500	319,200
Fong Yoo Kaw @ Fong Yee Kow	60,000	-	-	-	9,750	-	-	-	69,750	-
Ong Ai-Lyn	60,000	-	-	-	9,000	-	-	-	69,000	-
TOTAL	480,000	279,600	-	1,843,944	46,500	-	-	278,315	526,500	2,401,859

Footnote:

- The Company's directors' fees are subject to the shareholders' approval at the AGM, as set out in the notice of AGM.
- The meeting attendance allowance has been approved during the previous AGM held on 10 April 2025.

The NRC meets at least once a year, or more frequently as required, and reports its deliberations and recommendations to the Board for consideration and decision. Where a member of the NRC has a direct or indirect interest in any matter under consideration, the member abstains from deliberation and decision-making on such matter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The Audit and Risk Management Committee (“ARMC”) assists in fulfilling its statutory and fiduciary responsibilities in relation to financial reporting, risk management, internal controls, internal and external audit, and compliance matters. The ARMC operates under clearly defined Terms of Reference approved by the Board.

During the FY2025, ARMC has three (3) members, comprising entirely of Independent Non-Executive Directors, as follows:

CHAIRPERSON

Fong Yoo Kaw @ Fong Yee Kow (*Independent Non-Executive Director*)

MEMBERS

Chai Suk Phin (*Independent Non-Executive Director*)

Ong Ai-Lyn (*Independent Non-Executive Director*)

In accordance with the MCCG Practice 9.2, any former partner of the external audit firm of the Company must undergo a cooling-off period of at least three (3) years before being considered for appointment as a member of ARMC. Currently, none of the ARMC members are the former partners of the external audit firm of the Company.

The ARMC reviews the Group’s quarterly financial results and annual financial statements prior to submission to the Board for approval. In carrying out this role, the ARMC focuses on the integrity and quality of financial reporting, including significant accounting policies, key judgements and estimates, unusual or significant transactions, audit adjustments and the application of the going concern assumption. The ARMC also considers whether the financial statements are consistent with operational and other information disclosed by the Group.

External Audit

The ARMC oversees matters relating to the external audit, including the appointment, re-appointment, resignation or removal of the external auditors, as well as the audit and non-audit fees. An annual assessment is undertaken on the suitability, independence and objectivity of the external auditors.

The ARMC reviews and discusses the audit plan, scope of work and audit findings with the external auditors, including matters raised in the management letter and management’s responses thereto. Where necessary, the ARMC meets with the external auditors without the presence of the management to facilitate open and independent discussions.

Internal Audit

The ARMC oversees the internal audit function to ensure its independence, adequacy and effectiveness. The internal audit function reports directly to the ARMC and provides independent assurance on the adequacy and effectiveness of the Group’s governance, risk management and internal control systems.

The committee reviews and approves the internal audit plan and scope of work, evaluates the adequacy of resources and competency of the internal audit function, and reviews internal audit reports and findings. The ARMC also monitors the management’s actions in addressing issues identified by the internal auditors to ensure timely and appropriate remediation.

The Terms of Reference of the ARMC is published on the Company’s website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Risk Management and Internal Control

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets, as well as to support the achievement of the Group's strategic objectives. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can therefore provide only reasonable, and not absolute, assurance against material misstatement, loss or fraud.

The Board provides oversight of the Group's risk management framework, which identifies, assesses and manages material risks faced by the Group in the course of its business operations. Key risks, including operational, financial, regulatory and compliance risks, are identified and evaluated, with appropriate mitigation measures implemented and monitored by the management. The ARMC also reviews the adequacy of resources deployed to support the risk management and internal control framework.

Further details on the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in this Annual Report.

Related Party Transactions and Compliance

The ARMC reviews related party transactions and potential conflict of interest situations to ensure that such transactions are conducted on normal commercial terms and are not detrimental to the interests of the Company or minority shareholders. The ARMC oversees compliance matters, including regulatory compliance reports and the adequacy of key governance policies such as the Anti-Bribery and Corruption Policy and Whistleblowing Policy.

Where the ARMC is of the view that a matter reported to the Board has not been satisfactorily resolved and may result in a breach of the Listing Requirements, the ARMC will promptly report such matter to Bursa Securities.

Meetings and Reporting

The ARMC meets at least four (4) times a year, with additional meetings convened as required. As the Company was listed on 9 June 2025, the ARMC held three (3) meetings during the financial year ended 2025. The MD, internal auditors and representatives of the external auditors are normally invited to attend meetings. The proceedings and key deliberations of the ARMC are reported to the Board for consideration and decision.

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

Corporate Reporting and Disclosure

The Board places strong emphasis that timely, accurate and transparent corporate reporting is fundamental to maintaining stakeholders' confidence and upholding the integrity of the capital market. The Board is responsible for ensuring that the Company's financial statements and related disclosures provide a true and fair view of the Group's financial position and performance, and are prepared in accordance with applicable accounting standards, the Companies Act 2016 and the Listing Requirements.

In fulfilling this responsibility, the Board is assisted by the ARMC in reviewing the quarterly financial results and annual financial statements prior to their submission to the Board for approval. In addition, the Board also ensures that material information relating to the Group is disclosed to the market in a timely, accurate and balanced manner. Corporate announcements and disclosures are made in accordance with the disclosure obligations under the Listing Requirements to enable shareholders and investors to make informed investment decisions.

The Board remains committed to maintaining high standards of corporate reporting and continuous improvement in disclosure practices in line with evolving regulatory expectations and best practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

Ethical Conduct and Integrity Framework

The Board places strong emphasis on integrity, ethical conduct and accountability across the Group. To support this commitment, the Group has established a structured integrity framework, underpinned by clearly defined policies that set out the expected standards of behaviour for Directors, the management and employees.

The integrity framework includes, among others, the following policies:

- a) Code of Conduct and Ethics for Directors, which sets out the ethical principles, fiduciary duties and standards of behaviour expected of the Board
- b) Anti-Bribery and Corruption Policy, which adopts a zero-tolerance approach towards bribery and corrupt practices and provides guidance on gifts, hospitality, donations and facilitation payments
- c) Fit and Proper Policy, which governs the assessment of Directors and senior management to ensure they possess the requisite character, integrity, competence and time commitment

The Board oversees the implementation of these policies and expects all personnel to conduct the Group's business in an ethical, professional and lawful manner at all times.

Whistleblowing and Reporting of Misconduct

The Group has established a Whistleblowing Policy to provide a secure and confidential channel for employees and external parties to report genuine concerns or suspected misconduct involving the Group. The policy is designed to encourage the reporting of improper conduct in good faith and without fear of retaliation.

The Whistleblowing Policy covers a broad range of matters, including fraud, corruption, unethical behaviour, breaches of laws and regulations, misuse of assets, and improper accounting or reporting practices. Reports may be made through the prescribed channels set out in the policy and are treated with strict confidentiality.

Reports received under the Whistleblowing Policy are reviewed in an objective and independent manner. Where appropriate, investigations are carried out, and the findings are reported to the relevant authority within the Group for further action. The Board provides oversight to ensure that appropriate corrective and disciplinary measures are taken where misconduct is substantiated.

The Board is committed to protecting whistleblowers who raise concerns in good faith and ensuring that no individual is subjected to retaliation, discrimination or adverse treatment as a result of making a report.

Communication with Stakeholders

Effective and transparent engagement with stakeholders is regarded as an important component of good corporate governance and supports the Group's long-term sustainability and value creation. Engagement is maintained with key stakeholder groups, including shareholders, employees, customers, suppliers, business partners, regulators and the communities in which the Group operates.

Oversight of stakeholder communication is exercised at Board level to ensure that appropriate channels are in place for timely, accurate and meaningful engagement. Day-to-day interactions with stakeholders are managed by the management, which is responsible for responding to stakeholder feedback and concerns in a constructive and appropriate manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

Communication with Stakeholders (Cont'd)

Through ongoing engagement, the Group gains insight into stakeholder expectations and perspectives, which are taken into consideration in formulating business strategies, operational decisions and risk management approaches. Stakeholder interests are considered in a balanced manner, consistent with the Group's objectives, values and governance framework.

Strict adherence is maintained to the disclosure requirements set out in the Listing Requirements, and due care is exercised to ensure that material and market-sensitive information is not disclosed prematurely prior to an official announcement being made to Bursa Securities for public release.

The Group remains committed to enhancing its stakeholder communication practices in line with evolving regulatory requirements and stakeholder expectations.

Conduct of General Meetings

General meetings serve as the principal forum for engagement between the Company and its shareholders, providing an opportunity for shareholders to participate in key decisions affecting the Company. Shareholders are furnished with timely and adequate information to enable informed consideration of the matters to be deliberated at the meetings.

In line with good corporate governance practice, the notice of the AGM of the Company is issued at least twenty-eight (28) days prior to the meeting date, allowing shareholders adequate time to evaluate the proposals and exercise their rights.

Proceedings at the AGM are conducted in an orderly manner under the leadership of the Chairperson, who ensures that shareholders are given a reasonable opportunity to raise questions and seek clarification on matters relating to the Company's business, performance and governance. Members of the Board, senior management and the Company's external auditors are present to address shareholders' queries where appropriate.

All resolutions are put to vote by poll to ensure that voting outcomes accurately reflect the views of shareholders based on the number of shares held. The results of the poll are announced to the meeting and subsequently released to the market in a timely manner. Shareholders who are unable to attend the meetings in person are encouraged to appoint proxies to attend and vote on their behalf.

The minutes of the AGM, including the questions raised by shareholders together with the responses provided by the Company and the outcome of the voting, are made available to the shareholders within thirty (30) business days after the AGM on the Company's website at <https://hartanahkenyalang.com.my>.

This Statement is made in accordance with the resolution of the Board of Directors dated 19 January 2026.

AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”) REPORT

The Board of Hartanah is pleased to present the report on the ARMC for the FY2025.

The ARMC is established to assist and support the Board in fulfilling its statutory and fiduciary duties in respect of the Group. The scope of the ARMC’s oversight encompasses the Group’s corporate accounting and financial reporting processes, the risk management framework and internal control system, as well as the independence, objectivity and quality of the internal and external audit functions. The ARMC also undertakes such other responsibilities as may be determined by the Board from time to time to promote sound governance and regulatory compliance.

COMPOSITION AND MEETINGS OF THE ARMC

The present ARMC consists of three (3) members, all of whom are Independent Non-Executive Directors.

The ARMC held three (3) meetings during the FY2025 which were attended by the members as tabulated below:

NAME OF MEMBERS	DIRECTORSHIP	NUMBER OF MEETINGS ATTENDED
Fong Yoo Kaw @ Fong Yee Kow	Chairperson <i>Independent Non-Executive Director</i>	3/3
Chai Suk Phin	Member <i>Independent Non-Executive Director</i>	3/3
Ong Ai-Lyn	Member <i>Independent Non-Executive Director</i>	3/3

A full agenda and comprehensive set of meeting papers were circulated to each Committee member with sufficient notification prior to each meeting. The Internal Auditor and other Senior Management were called in when required. The External Auditors also attended the meeting at the invitation of the ARMC to brief the members during the meeting held on 26 September 2025 to discuss matters pertaining to the annual audit.

During the financial year under review, the ARMC met separately with the External Auditors once without the presence of the Management on 26 September 2025.

AUTHORITY AND DUTIES OF THE ARMC

The ARMC operates in accordance with its Terms of Reference, which set out its authority, roles and responsibilities. The Terms of Reference are reviewed periodically to ensure continued relevance and compliance with prevailing regulatory requirements and are available on the Company’s website at <https://hartanahkenyalang.com.my>.

AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”) REPORT (CONTINUED)

SUMMARY OF WORKS OF THE ARMC

In accordance with its Terms of Reference, the works undertaken by the ARMC during the FY2025 include the following:

1. Financial Reporting

- a. Reviewed the Company’s compliance with the Listing Requirements of Bursa Securities, the requirements of the Companies Act 2016, applicable approved accounting standards in Malaysia and other relevant regulatory requirements to ensure that the quarterly announcements of financial results and the audited consolidated financial statements of the Company are properly prepared.
- b. Discussed with the Management and the External Auditors any significant changes to the regulations, standards and other regulatory requirements that may affect the financial reporting of the Group.
- c. Reviewed and discussed the quarterly unaudited consolidated financial results with the Management, in particular any significant items or transactions that have affected the financial performance of the Company and the Group and sought clarifications from the Management before its recommendation to the Board of Directors for their approval and release to Bursa Securities.
- d. Reviewed the annual audited consolidated financial statements of the Company for the FY2025 with the Management and the External Auditors before recommending them to the Board for their deliberation and approval and release as announcement to Bursa Securities.

2. Internal Audit

- a. Reviewed and approved the annual Internal Audit plan to ensure adequate and appropriate coverage of the Group’s key risk areas, significant business processes and operational activities.
- b. Oversaw the conduct of internal audit activities and ensured that the Internal Audit function received the necessary cooperation, access and support from the Management and employees in the discharge of its responsibilities.
- c. Reviewed and deliberated on Internal Audit reports, significant findings and recommendations, and evaluated the adequacy and timeliness of the Management’s responses and remedial actions in addressing identified control deficiencies and risk exposures.
- d. Reviewed and recommended to the Board the Internal Auditor’s proposals for improvements to internal controls, systems, processes and operational efficiencies, including additional enhancement measures where appropriate.
- e. Monitored and reviewed the status of follow-up actions on audit findings to ensure that corrective and preventive measures were implemented by the Management in a timely and effective manner.
- f. Reviewed the adequacy of resources, as well as the competency, independence and effectiveness of the Internal Audit function in carrying out its duties.

AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”) REPORT (CONTINUED)

SUMMARY OF WORKS OF THE ARMC (CONT'D)

In accordance with its Terms of Reference, the works undertaken by the ARMC during the FY2025 include the following:
(Cont'd)

3. External Audit

- a. Reviewed and discussed with the External Auditors, their annual audit planning memorandum inclusive of the areas of audit emphasis, scope for the year and their audit strategies as well as the audit procedures prior to commencement of annual audit for the FY2025.
- b. Reviewed and considered the External Auditors' audit findings, management letter and the Management's responses thereto, with particular attention given to significant audit issues, areas requiring judgement and the adequacy of remedial actions proposed by the Management.
- c. Assessed the suitability, independence and objectivity of the External Auditors on an annual basis, including a review of the nature and extent of non-audit services provided, and recommended to the Board the re-appointment of the External Auditors together with the proposed audit fees.
- d. Met with the External Auditors without the presence of the Management to facilitate open and constructive discussions on matters arising from the audit, including significant audit judgements, internal control weaknesses and any concerns raised in the course of the audit engagement.
- e. The External Auditors, Messrs Crowe Malaysia PLT had confirmed to the ARMC that they have complied with the relevant ethical requirements regarding their independence throughout the audit and that the provision of the non-audit services to the Company have not compromised their independence, nor were they aware of any relationships between them and the Group that may reasonably be thought to have impaired their independence.
- f. The total amount of audit fees and non-audit fees paid by the Group to Crowe Malaysia PLT for the financial year under review were as follow: -

	GROUP (RM)	COMPANY (RM)
Audit	78,000	30,000
Non-audit	24,000	7,000
Total	102,000	37,000

4. Risk Management and Internal Control

- a. Reviewed the adequacy and effectiveness of the Group's risk management and internal control framework, including policies, processes and reporting mechanisms, to ensure that material risks were identified, evaluated and managed within acceptable risk tolerance levels.
- b. Reviewed and deliberated on reports relating to significant risks faced by the Group, encompassing operational, financial, regulatory compliance, sustainability reporting and reputational risks, together with the mitigation strategies and control measures implemented by the Management.
- c. Assessed the adequacy of resources, systems and processes supporting the Group's risk management and internal control environment, and considered whether these were commensurate with the nature, scale and complexity of the Group's operations.
- d. Reviewed and recommended the Statement on Risk Management and Internal Control to the Board for approval, having satisfied itself that the statement fairly described the state of the Group's risk management and internal control processes, for inclusion in the Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”) REPORT (CONTINUED)

SUMMARY OF WORKS OF THE ARMC (CONT'D)

In accordance with its Terms of Reference, the works undertaken by the ARMC during the FY2025 include the following:
(Cont'd)

5. Related Party Transactions and Conflict of Interest

- a. Reviewed related party transactions and conflict of interest situations arising during the financial year to ensure that such transactions were conducted on normal commercial terms, at arm's length, and were not detrimental to the interests of the Company or its minority shareholders.
- b. Reviewed and monitored recurrent related party transactions to ensure compliance with shareholders' mandates, internal policies and the Listing Requirements.
- c. Reviewed and evaluated non-recurring related party transactions, taking into consideration fairness, transparency and the interests of minority shareholders, and made recommendations to the Board where appropriate.

6. Compliance and Other Matters

- a. Discussed any latest changes issued by any statutory and regulatory bodies and/or changes in the economic landscape and their implication and possible impact on the Company and the Group, and highlighted these concerns to the Board.
- b. Briefed the Board on the latest changes in the Listing Requirements and ensured all Board members understood their fiduciary duties.
- c. Reviewed the Statement on Risk Management and Internal Control and the Audit and Risk Management Committee Report and recommended to the Board for approval for the statements to be published in the Annual Report.
- d. Considered updates on changes in laws, regulations, accounting standards and listing requirements, and evaluated their implications on the Group's operations, financial reporting and governance framework.

EVALUATION OF THE ARMC

For the financial year under review, an evaluation was carried out on the terms of office and performance of the ARMC by the Nomination and Remuneration Committee based on established evaluation criteria. The Board is satisfied that the ARMC has discharged its duties and responsibilities effectively and in accordance with its Terms of Reference.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit function is outsourced to InCorp Global Malaysia Sdn Bhd, who reports directly to the ARMC. The Internal Audit plan is reviewed and approved by the ARMC prior to the implementation.

The Internal Auditor is responsible for providing an independent evaluation and review of the adequacy and effectiveness of the Group's internal control system, governance framework and operational control processes, and compliance with established policies, procedures, standards, and statutory requirements, and where necessary, the Internal Auditor provides recommendations to enhance existing systems and work processes.

Audits are designed to ensure that established controls are appropriate, effectively applied, and operate within acceptable risk tolerance levels. All outcomes of reviews and investigative audits are reported to the ARMC providing assurance on the integrity of the Group's internal control and management information systems.

AUDIT AND RISK MANAGEMENT COMMITTEE (“ARMC”) REPORT (CONTINUED)

INTERNAL AUDIT FUNCTION (CONT'D)

During the FY2025, the Internal Auditor carried out the following:

1. Discussed the Internal Audit plan with the ARMC.
2. Performed operational audits to assess the adequacy and integrity of internal controls and made recommendations for improvements where weaknesses were identified.
3. Discussed the audit findings, proposed recommendations, and the Management’s remedial actions to address the aforesaid findings.
4. Issued and presented Internal Audit reports to the ARMC in respect of the control and risk management issues identified from the audits, along with recommendations for process improvements and enhancements.

The total costs incurred for the Internal Audit function of the Group for the FY2025 amounted to RM15,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of HartanaH is pleased to present this Statement on Risk Management and Internal Control for the FY2025.

This statement has been prepared in accordance with Rule 15.26(b) of the Listing Requirements of Bursa Securities and is guided by the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*.

As FY2025 marks our first year as a public listed company, the Board is committed to establishing a strong foundation of governance, risk management and internal control processes to support sustainable growth.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the risk management and internal control systems of the Group in accordance with the MCCG, and for reviewing their adequacy and effectiveness. These systems are designed to manage, rather than eliminate, risks that may hinder the achievement of business objectives. As such, they provide reasonable but not absolute assurance against material misstatement, fraud or loss.

The Board has delegated oversight of risk management and internal control to the ARMC, while day-to-day implementation rests with the Management, where a dedicated compliance department oversees and monitors the Group's risk management and internal controls.

RISK MANAGEMENT FRAMEWORK

The Group operates predominantly in East Malaysia, with core activities in building construction (institutional and public buildings, including schools) and infrastructure construction (bridges and roads).

Key features of our risk management approach include:

- Development of risk registers at the project level, focusing on operational, financial, compliance, and safety risks.
- Quarterly reviews of key risks by the Management and ARMC, and escalation of significant matters to the Board.
- Identification of principal risks, which include:
 - o Reliance on government contracts: The majority of our revenue is derived from Sarawak State and Federal government projects, exposing us to shifts in public sector spending.
 - o Project execution risk: Delays, unforeseen site conditions, or subcontractor underperformance could affect timelines and profitability.
 - o Cost volatility: Fluctuations in construction material prices may impact margins, especially for fixed-price contracts.
 - o Labour and subcontractor dependency: Availability and reliability of skilled workers remain critical in East Malaysia.
 - o Health, Safety and Environment ("HSE") risks: As construction involves high safety exposure, strict adherence to Occupational Safety and Health standards is required.
 - o Liquidity and cash flow management: Given the project-based nature of the construction industry, timely collection of receivables and efficient working capital management are essential.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

RISK MANAGEMENT FRAMEWORK (CONT'D)

Below is a summary of key risks and mitigation measures:

Risk Category	Description of Risk	Impact	Mitigation Measures	Responsible Party
Strategic / Market	Reliance on Sarawak and Federal government projects as the primary source of revenue.	Revenue concentration; vulnerable to budget cuts or policy changes.	Diversify client base by bidding for quasi-government and private sector projects; expanding to West Malaysia; leverage on design & build capabilities.	MD; Business Development
Project Execution	Delays in project delivery due to subcontractor performance, adverse weather, and remote site conditions.	Cost overruns, liquidated ascertained damage penalties, reputational damage.	Strong project management framework; enforce performance bonds; apply for extension of time where necessary; regular site progress monitoring.	COO; DMD; Project Managers
Cost / Supply Chain	Fluctuation in raw material prices (steel, cement) and shortage of skilled labour.	Margin compression; disruption in project schedules.	Maintain a multiple supplier base; lock in prices where possible; recruit and train local workforce; use IBS where applicable.	Procurement Manager; MD; DMD
Financial	High working capital requirements for large projects; delays in client payments.	Liquidity constraints; higher borrowings.	Use proceeds from the IPO allocated for project working capital; monitor receivables closely; maintain trade financing facilities with banks.	CFO
Governance / Compliance	Non-compliance with Bursa Securities' ACE Market Listing Requirements, ISO standards, or construction regulations.	Regulatory penalties; loss of credibility as a newly listed company.	Regular compliance training; ARMC oversight; external consultants (internal audit, company secretary).	Board; ARMC; Company Secretary
HSE	Accidents or non-compliance with safety regulations on construction sites.	Work stoppages; legal liabilities; reputational impact.	Enforce ISO 45001 standards; regular site safety audits; toolbox briefings; contractor/subcontractor compliance checks.	HSE Manager; Project Managers

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

RISK MANAGEMENT FRAMEWORK (CONT'D)

Below is a summary of key risks and mitigation measures: (Cont'd)

Risk Category	Description of Risk	Impact	Mitigation Measures	Responsible Party
Technology / Digitalisation	Slow adoption of BIM, Information Technology ("IT") integration, and digital project management tools.	Reduced competitiveness; inefficiencies in project execution.	Use IPO proceeds allocated for BIM and IT systems; train staff on new tools; hire BIM-certified personnel.	COO; IT Manager
Reputation / Stakeholder	Failure to deliver quality or timely projects in Sarawak (a close-knit market).	Loss of future contracts; damage to brand.	Maintain ISO 9001 quality standards; conduct stakeholder engagement with clients and government agencies.	MD; Project Managers
IPO / Capital Market	Misuse or delay in utilisation of IPO proceeds; poor post-listing financial reporting.	Shareholder dissatisfaction; regulatory scrutiny.	Regular disclosure on utilisation status of IPO proceeds; CFO oversight; external audit verification.	CFO; ARMC

INTERNAL CONTROL SYSTEM

The Group's internal control system is tailored to the construction sector and includes:

- **Project Management Controls:** Standard Operating Procedures are documented and regularly updated. Detailed project planning, progress monitoring, and cost tracking. Major projects such as the State Archive project in Kuching, Sebauh Bridge project in Bintulu, and Yayasan International Schools Sibul and Kuching projects serve as live models for strengthening control processes.
- **ISO-certified processes:** Compliance with ISO 9001:2015 (Quality Management), ISO14001:2015 (Environmental) and ISO 45001:2018 (Occupational Health & Safety) standards.
- **Financial and Operational Policies:** Segregation of duties, authorisation limits, and regular variance analysis against budgets.
- **Information Systems:** Gradual integration of IT systems to support project costing, procurement, and financial reporting, with investments in BIM and cloud solutions underway (funded by IPO proceeds). Maintain a disaster recovery plan to ensure business continuity, protect data and maintain stakeholders' trust.
- **Safety and Compliance Procedures:** Mandatory site safety inductions, regular toolbox briefings, and monitoring of subcontractor compliance with safety standards.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

INTERNAL AUDIT FUNCTION

To provide independent assurance, the Group has engaged an external professional internal audit service provider. The internal audit function reports directly to the ARMC and conducts risk-based reviews on selected areas, such as:

- Tendering and procurement practices;
- Subcontractor management;
- Project execution and monitoring; and
- Financial controls.

Findings and recommendations are presented to the ARMC, with the Management responsible for implementing corrective actions.

WHISTLEBLOWING POLICY

The Group has in place a Whistleblowing Policy as part of its commitment to uphold the highest standards of integrity, transparency, and accountability. The policy provides a secure and confidential channel for employees, business partners, and other stakeholders to report in good faith any suspected misconduct, unethical behaviour, fraud, or breach of the Group's code of conduct without fear of retaliation.

Reports may be made via the dedicated Whistleblowing Channel available on the Group's official website at <https://hartanahkenyalang.com.my/governance>. This channel is managed independently to ensure objectivity and confidentiality. All reports received are reviewed by the ARMC, and appropriate actions are taken based on the findings.

The Board affirms that the Whistleblowing Policy reinforces the Group's overall governance framework and serves as an early warning system to detect and prevent potential risks of non-compliance or unethical conduct.

AUDIT AND RISK MANAGEMENT COMMITTEE OVERSIGHT

The ARMC, comprising the Independent Directors, assists the Board in reviewing the effectiveness of risk management and internal control systems of the Group. In FY2025, the ARMC:

- Reviewed the Group's risk profile and emerging risks related to project execution and IPO transition.
- Considered internal audit findings and the Management's responses.
- Confirmed that there were no material weaknesses that would result in significant financial losses.

ASSURANCE BY MANAGEMENT

The MD and CFO have provided assurance to the Board that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, during FY2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (“AAPG”) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the FY2025, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement included in the Annual Report is not prepared, in all material respects, nor is the Statement factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors’ Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system, including the assessment and opinion by the Directors and Management thereon. The report from the External Auditors was made solely for, and directed solely to, the Board of Directors in connection with their compliance with the Bursa Malaysia Securities Berhad ACE Market Listing Requirements and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this Statement.

CONCLUSION

The Board is satisfied that the Group’s risk management and internal control systems are adequate and effective to meet the needs of its current operations. The Board remains committed to further strengthening these systems, particularly in enhancing project-level risk registers, IT systems integration, and ESG related controls, in line with Bursa Securities’ evolving requirements.

The above statement is issued following a Board resolution dated 19 January 2026 approving the same.

OTHER COMPLIANCE INFORMATION

The following information is provided in accordance with Rule 9.25 of the Listing Requirements of Bursa Securities.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the forthcoming Annual General Meeting to be held on 13 April 2026, the Company will seek the approval of the shareholders for the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

As at 31 October 2025, the gross proceeds derived from the Public Issue in conjunction with the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad on 9 June 2025 had been utilised in the following manner:

Use of Proceeds	Proposed Utilisation RM'000	%	Actual Utilisation RM'000	Reallocation ⁽¹⁾ RM'000	Balance to be Utilised RM'000
Purchase of machineries and IT related hardware and software	3,000	16	46	–	2,954
Project working capital	10,494	54	10,707	213	–
Repayment of borrowings	2,100	11	1,887	(213)	–
Defray fees and expenses relating to the Listing	3,750	19	3,750	–	–
Total	19,344	100	16,390	–	2,954

The use of proceeds as disclosed above should be read in conjunction with the Prospectus.

Note:

(1) The IPO proceeds initially allocated for the repayment of borrowings have been partially reallocated to project working capital.

There were no other corporate proposals during the financial year.

SHARES BUY-BACK

There were no shares buy-back during the FY2025.

OTHER COMPLIANCE INFORMATION (CONTINUED)

MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

Save as disclosed below, there were no other material contracts, not being contracts entered into in the ordinary course of business, involving Directors' and major shareholders' interests either subsisting at the end of the financial year or entered into since the end of the previous financial year.

- (a) Underwriting agreement dated 10 April 2025 between Hartanah and TA Securities Holdings Berhad for the underwriting of 49,600,000 ordinary shares in Hartanah ("Underwritten Shares") in relation to the initial public offering and the listing of and quotation for the entire enlarged issued ordinary shares of Hartanah on the ACE Market of Bursa Securities, with an underwriting commission of 2.25% of the total value of the Underwritten Shares (or RM178,560.00), fully satisfied by cash.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year, which have been made out in accordance with the applicable approved accounting standards in Malaysia, to give a true and fair view of the financial state of affairs of the Company and the Group at the end of the financial year.

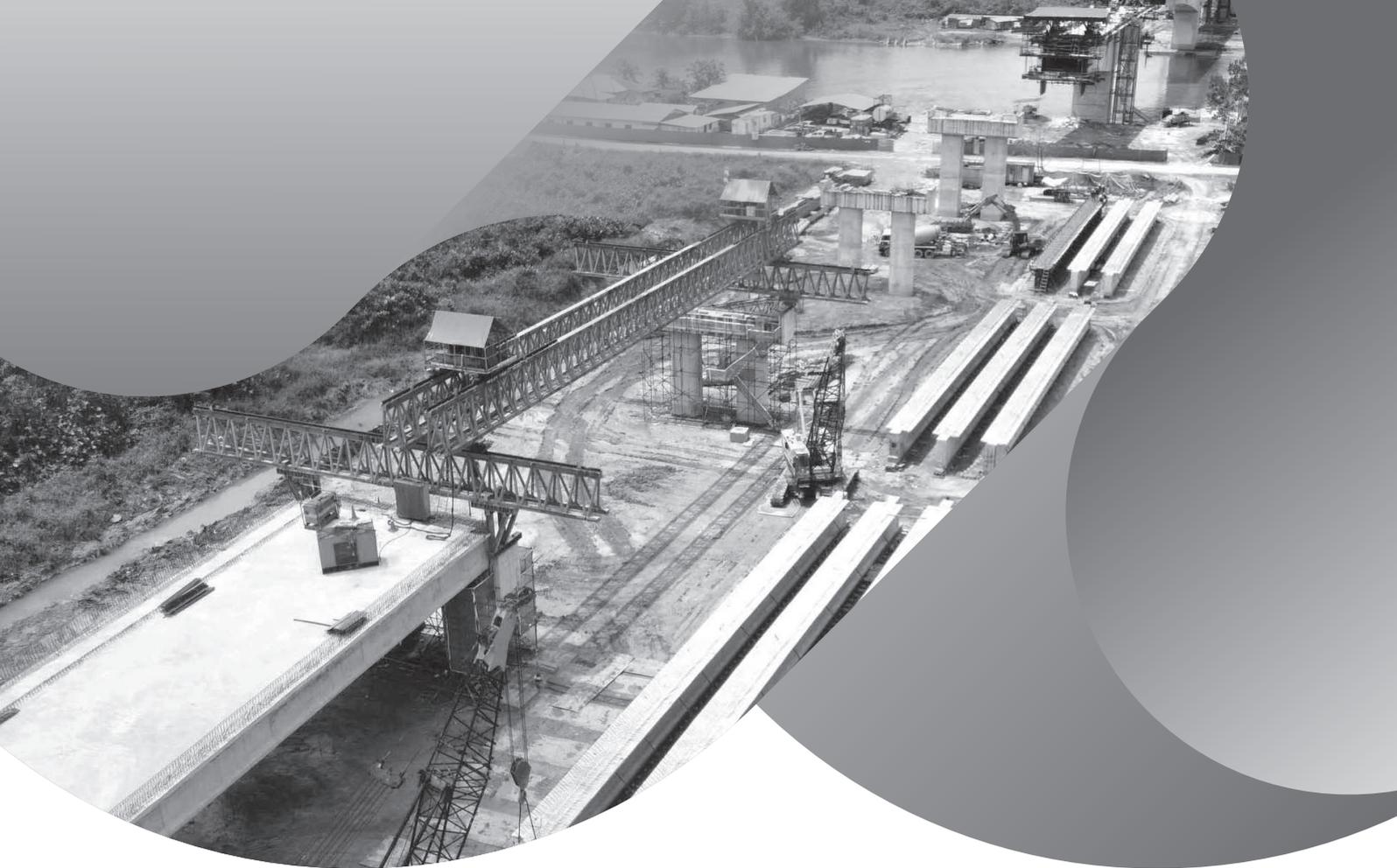
In preparing the financial statements, the Directors have:

- (i) adopted appropriate accounting policies, which are applied consistently;
- (ii) ensured that all applicable accounting standards have been complied with;
- (iii) made judgements and estimates that are reasonable and prudent; and
- (iv) prepared financial statements on a going concern basis.

The Directors are responsible for ensuring that the Company and the Group keep accounting records that disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act 2016 and applicable approved accounting standards.

The Directors are also responsible for taking reasonable steps to prevent and detect fraud and other irregularities to safeguard the assets of the Group.

This Statement has been approved by the Board on 19 January 2026.



HARTANAH
KENYALANG

FINANCIAL STATEMENT

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 October 2025.

PRINCIPAL ACTIVITIES

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

RESULTS

	The Group RM	The Company RM
Profit/(Loss) after taxation for the financial year/period	2,145,132	(1,850,824)
Attributable to:-		
Owners of the Company	2,146,752	(1,850,824)
Non-controlling interest	(1,620)	-
	2,145,132	(1,850,824)

DIVIDENDS

On 19 January 2026, the Company declared an interim dividend of 0.1 sen per ordinary share amounting to RM620,000 in respect of the current financial year, payable on 12 February 2026 to shareholders whose names appeared in the record of depositors on 5 February 2026. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 October 2026.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIRECTORS' REPORT (CONTINUED)

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM1,000 to RM43,453,297 by way of:-
- (i) Issuance of 499,099,000 new ordinary shares at a price of RM0.05 per ordinary share for a total consideration of RM24,954,950, as part of the Pre-IPO restructuring exercise, for the acquisition of the entire equity interest in its wholly-owned subsidiary, Hartanah Construction Sdn. Bhd. on 6 March 2025.
 - (ii) Issuance of 71,300,000 new ordinary shares at a price of RM0.16 per ordinary share for a total cash consideration of RM11,408,000 to selected investors by way of private placement in conjunction with the IPO on the ACE Market of Bursa Malaysia Securities Berhad.
 - (iii) Issuance of 49,600,000 new ordinary shares at a price of RM0.16 per ordinary share for a total cash consideration of RM7,936,000 to the Malaysian public, eligible Directors, and employees of the Group by way of public issue in conjunction with the IPO on the ACE Market of Bursa Malaysia Securities Berhad (comprising 31,000,000 shares to the Malaysian public and 18,600,000 shares to eligible Directors and employees).

The listing expenses arising from the issuance of new ordinary shares amounting to RM846,653 were offset against share capital of the Company.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

DIRECTORS' REPORT (CONTINUED)

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in the Note 37 to the financial statements. At the date of this report, there does not exist:-

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

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

Datin Josephine Anak Hilary Dom @ Josephine John
 Seah Boon Kee
 Seah Boon Tiat
 Chai Suk Phin
 Ong Ai-Lyn
 Fong Yoo Kaw @ Fong Yee Kow
 Choy Mui Seng @ Chai Mui Seng
 Cheok Liam Fock

The name of a director of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, is as follows:-

Nik Mohd Fakhrozi Bin Nik Ahmad Kamal

DIRECTORS' INTERESTS

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

	Number Of Ordinary Shares			
	At 1.11.2024	Bought	Sold	At 31.10.2025
The Company				
<i>Direct Interests</i>				
Datin Josephine Anak Hilary Dom @ Josephine John	-	300,000	-	300,000
Seah Boon Kee	210	104,810,790	11,456,000	93,355,000
Seah Boon Tiat	315	157,216,185	30,404,400	126,812,100
Chai Suk Phin	-	300,000	-	300,000
Ong Ai-Lyn	-	300,000	-	300,000
Fong Yoo Kaw @ Fong Yee Kow	-	300,000	-	300,000
Choy Mui Seng @ Chai Mui Seng	250	124,774,750	23,638,100	101,136,900
Cheok Liam Fock	210	104,810,790	11,456,000	93,355,000
<i>Indirect Interests</i>				
Cheok Liam Fock*	-	20,000	-	20,000

* Deemed interested through his sister's shareholding in the Company.

By virtue of his shareholding in the Company, Seah Boon Tiat is deemed to have interest in shares in its related corporation during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 35(b) to the financial statements.

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

DIRECTORS' REMUNERATION

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

	From the Company RM	From the Subsidiaries RM	Total RM
Fees	480,000	279,600	759,600
Salaries, bonuses, allowances and other benefits	46,500	1,847,622	1,894,122
Contributions to defined contribution benefits	–	216,525	216,525
Estimated money value of benefits-in-kind	–	58,112	58,112
	526,500	2,401,859	2,928,359

INDEMNIFICATION AND INSURANCE COST

During the financial year, the amount of insurance effected for two of the directors of the Company was RM1,000,000.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 39 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 40 to the financial statements.

DIRECTORS' REPORT (CONTINUED)

AUDITORS

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

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

	The Group RM	The Company RM
Audit fees	78,000	30,000
Non-audit fees	24,000	7,000
	<hr/> 102,000	<hr/> 37,000

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 January 2026.

Seah Boon Kee

Seah Boon Tiat

STATEMENT BY DIRECTORS

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

We, Seah Boon Kee and Seah Boon Tiat, being two of the directors of Hartanah Kenyalang Berhad, state that, in the opinion of the directors, the financial statements set out on pages 87 to 138 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 October 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 January 2026.

Seah Boon Kee

Seah Boon Tiat

STATUTORY DECLARATION

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

I, Desmond Foo Jin Sen, MIA Membership Number: 22357, being the officer primarily responsible for the financial management of Hartanah Kenyalang Berhad, do solemnly and sincerely declare that the financial statements set out on pages 87 to 138 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Desmond Foo Jin Sen
at Kuching
in the State of Sarawak
on this 19 January 2026

Before me

Desmond Foo Jin Sen

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HARTANAH KENYALANG BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hartanah Kenyalang Berhad, which comprise the statements of financial position as at 31 October 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 138.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue and Cost Recognition – Construction Contracts Refer to Note 24 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group's revenue is derived from construction contracts. For the financial year ended 31 October 2025, the Group's revenue and costs from construction contracts amounted to RM124,694,681 and RM108,744,801 respectively.</p> <p>Significant management judgements and estimation are involved in determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, and the estimated total construction contract revenue and costs. The estimations are subject to uncertainties that depend on the outcome of future events.</p> <p>We determined this to be a key audit matter due to the complexity and judgemental nature of these activities.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Perused the contracts and discussed with management to obtain full understanding of the terms and risks to assess our consideration whether revenue was recognised in accordance with the percentage of completion; • Assessed the management's bases and assumptions in determining the percentage of completion for projects, and the estimation of revenue and costs; • Reviewed estimated profit margin and cost to complete; • Tested samples of costs incurred to date by checking the contractors' payment certificates and other supporting documentation; • Checked to subsequent documentation to identify if there are any delays in completion of contracts and potential penalties imposed; • Assessed the adequacy and reasonableness of provisions for foreseeable losses as well as liquidated ascertained damages, if any; and • Checked the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report. (Cont'd)

Recoverability Of Trade Receivables and Contract Assets Refer to Note 9 and Note 11 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>As at 31 October 2025, the Group has trade receivables and contract assets amounting to RM16,136,455 and RM38,358,864 respectively, representing approximately 19% and 45% of the Group's total assets.</p> <p>The Group recognises expected credit losses ("ECL") on trade receivables and contract assets on a forward-looking basis using simplified approach. Such assessment involved judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions.</p> <p>We identified the recoverability of trade receivables and contract assets as a key audit matter due to the significance of the balances and the inherent complexity and management judgement required in the determination of the impairment.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's control over the receivables collection and the assessment of the recoverability of trade receivables and contract assets; • Reviewed the contract assets and ageing analysis of trade receivables and tested the reliability thereof; • Reviewed subsequent cash collections for major receivables and overdue amounts; • Reviewed subsequent progress billings for major contract assets to ensure rights to consideration have become unconditional; • Inquired regarding management's action plans to recover overdue amounts; • Compared and challenged management's view on the assessment on the expected credit loss of trade receivables and contract assets; • Reviewed the computation of historical observed default rates and adjustment for forward-looking estimates used to develop the impairment provision matrix; and • Evaluated the reasonableness and adequacy of the resulting expected credit loss recognised.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and of the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

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

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

Other Matters

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

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

Chin Su Su
03436/05/2027 J
Chartered Accountant

Kuching

19 January 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2025

	NOTE	The Group		The Company	
		2025 RM	2024 [#] RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	–	–	24,955,010	–
Property, plant and equipment	6	6,683,154	7,802,870	–	–
Investment properties	7	1,033,581	1,057,616	–	–
Right-of-use assets	8	6,543	142,236	–	–
		7,723,278	9,002,722	24,955,010	–
CURRENT ASSETS					
Trade receivables	9	16,136,455	31,489,861	–	–
Other receivables, deposits and prepayments	10	2,569,561	4,564,530	33,500	346,247
Contract assets	11	38,358,864	35,291,499	–	–
Amount owing by subsidiaries	12	–	–	9,717,196	–
Fixed deposits with licensed banks	13	7,440,153	2,389,594	–	–
Cash and bank balances	14	12,413,298	7,291,874	5,364,017	1,000
Current tax asset		823,748	–	–	–
		77,742,079	81,027,358	15,114,713	347,247
TOTAL ASSETS		85,465,357	90,030,080	40,069,723	347,247

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	NOTE	The Group		The Company	
		2025 RM	2024 [#] RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15(a)	43,453,297	–	43,453,297	1,000
Invested capital	15(b)	–	3,001,000	–	–
Merger deficit	16	(21,954,950)	–	–	–
Retained profits		24,148,432	22,001,680	(3,467,680)	(1,616,856)
Equity attributable to owners of the Company		45,646,779	25,002,680	39,985,617	(1,615,856)
Non-controlling interest	5	(1,580)	–	–	–
TOTAL EQUITY		45,645,199	25,002,680	39,985,617	(1,615,856)
NON-CURRENT LIABILITIES					
Lease liabilities	17	995	55,529	–	–
Long-term borrowings	18	1,011,236	3,605,298	–	–
Deferred tax liabilities	20	–	–	–	–
		1,012,231	3,660,827	–	–
CURRENT LIABILITIES					
Trade payables	21	30,750,139	39,388,036	–	–
Other payables and accruals	22	809,248	6,238,145	68,206	1,800
Amount owing to a related party	23	–	42,476	–	–
Amount owing to a subsidiary	12	–	–	–	1,961,303
Lease liabilities	17	5,820	88,091	–	–
Short-term borrowings	18	7,242,720	14,750,883	–	–
Current tax liabilities		–	858,942	15,900	–
		38,807,927	61,366,573	84,106	1,963,103
TOTAL LIABILITIES		39,820,158	65,027,400	84,106	1,963,103
TOTAL EQUITY AND LIABILITIES		85,465,357	90,030,080	40,069,723	347,247

Note:-

[#] As disclosed in Note 4.3 to the financial statements, the comparative figures in the Group's financial statements are presented as if the reorganisation had occurred before the start of the earliest period presented.

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2025

	NOTE	The Group		The Company Period from 21.8.2024 to 31.10.2024	
		2025 RM	2024* RM	2025 RM	RM
REVENUE	24	124,694,681	127,588,119	-	-
COST OF SALES		(108,744,801)	(104,177,805)	-	-
GROSS PROFIT		15,949,880	23,410,314	-	-
OTHER INCOME	25	421,087	165,372	782,320	-
		16,370,967	23,575,686	782,320	-
ADMINISTRATIVE EXPENSES		(11,550,473)	(8,833,264)	(2,617,244)	(1,616,856)
PROFIT/(LOSS) FROM OPERATIONS		4,820,494	14,742,422	(1,834,924)	(1,616,856)
FINANCE COSTS	26	(1,343,432)	(1,263,164)	-	-
NET IMPAIRMENT GAINS ON FINANCIAL ASSETS	27	24,700	-	-	-
PROFIT/(LOSS) BEFORE TAXATION	28	3,501,762	13,479,258	(1,834,924)	(1,616,856)
INCOME TAX EXPENSE	29	(1,356,630)	(4,273,165)	(15,900)	-
PROFIT/(LOSS) AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR/PERIOD		2,145,132	9,206,093	(1,850,824)	(1,616,856)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		2,146,752	9,206,093	(1,850,824)	(1,616,856)
Non-controlling interest		(1,620)	-	-	-
		2,145,132	9,206,093	(1,850,824)	(1,616,856)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		2,146,752	9,206,093	(1,850,824)	(1,616,856)
Non-controlling interest		(1,620)	-	-	-
		2,145,132	9,206,093	(1,850,824)	(1,616,856)
EARNINGS PER SHARE (SEN)					
- Basic and diluted	30	0.56	307		

Note:-

As disclosed in Note 4.3 to the financial statements, the comparative figures in the Group's financial statements are presented as if the reorganisation had occurred before the start of the earliest period presented.

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2025

	NOTE	Share Capital/ Invested Capital RM	Merger Deficit RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- controlling Interest RM	Total Equity RM
The Group							
Balance at 1.11.2023		3,000,000	-	17,795,587	20,795,587	-	20,795,587
Profit after taxation, representing total comprehensive income for the financial year		-	-	9,206,093	9,206,093	-	9,206,093
Issuance of shares	15	1,000	-	-	1,000	-	1,000
Dividends	32	-	-	(5,000,000)	(5,000,000)	-	(5,000,000)
Total contributions by and distributions to owners		1,000	-	(5,000,000)	(4,999,000)	-	(4,999,000)
Balance at 31.10.2024		3,001,000	-	22,001,680	25,002,680	-	25,002,680

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

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	NOTE	Share Capital/ Invested Capital RM	Merger Deficit RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- controlling Interest RM	Total Equity RM
The Group							
Balance at 1.11.2024		3,001,000	-	22,001,680	25,002,680	-	25,002,680
Incorporation of a subsidiary	31	-	-	-	-	40	40
Profit/(Loss) after taxation, representing total comprehensive income/(expenses) for the financial year		-	-	2,146,752	2,146,752	(1,620)	2,145,132
Issuance of shares: - via acquisition of a subsidiary	15	24,954,950	(24,954,950)	-	-	-	-
- public issuance	15	19,344,000	-	-	19,344,000	-	19,344,000
Merger deficit	15	(3,000,000)	3,000,000	-	-	-	-
Share issuance expenses	15	(846,653)	-	-	(846,653)	-	(846,653)
Total contributions by and distributions to owners		40,452,297	(21,954,950)	-	18,497,347	-	18,497,347
Balance at 31.10.2025		43,453,297	(21,954,950)	24,148,432	45,646,779	(1,580)	45,645,199

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

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	NOTE	Share Capital RM	Accumulated Losses RM	Total Equity RM
The Company				
Balance at 21.8.2024 (date of incorporation)		1,000	–	1,000
Loss after taxation, representing total comprehensive expenses for the financial period		–	(1,616,856)	(1,616,856)
Balance at 31.10.2024/1.11.2024		1,000	(1,616,856)	(1,615,856)
Loss after taxation, representing total comprehensive expenses for the financial year		–	(1,850,824)	(1,850,824)
Issuance of shares:				
- via acquisition of a subsidiary	15	24,954,950	–	24,954,950
- public issuance	15	19,344,000	–	19,344,000
Share issuance expenses	15	(846,653)	–	(846,653)
Total contributions by and distributions to owners		43,452,297	–	43,452,297
Balance at 31.10.2025		43,453,297	(3,467,680)	39,985,617

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2025

NOTE	The Group		The Company Period from 21.8.2024 to 31.10.2024	
	2025 RM	2024# RM	2025 RM	2024 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	3,501,762	13,479,258	(1,834,924)	(1,616,856)
Adjustments for:-				
Depreciation on:				
- investment properties	24,035	24,035	-	-
- property, plant and equipment	1,380,599	1,620,636	-	-
- right-of-use assets	47,939	179,404	-	-
Interest expenses	1,343,432	1,263,164	-	-
Interest income	(243,566)	(56,605)	(223,695)	-
Gain on disposal of property, plant and equipment	-	(10,000)	-	-
Gain on termination of lease	(569)	(467)	-	-
Reversal of impairment losses:				
- trade receivables	(14,700)	-	-	-
- other receivables	(10,000)	-	-	-
Operating profit/(loss) before working capital changes	6,028,932	16,499,425	(2,058,619)	(1,616,856)
Decrease/(Increase) in trade and other receivables	17,373,075	(15,699,780)	312,747	(346,247)
Decrease in contract cost assets	-	304,152	-	-
Increase in contract assets	(3,067,365)	(9,363,844)	-	-
Increase in amount owing by subsidiaries	-	-	(9,717,196)	-
Decrease in amount owing to related companies	(42,476)	(487,463)	-	-
Increase in amount owing to related parties	-	1,070,906	-	1,961,303
Decrease in amount owing to subsidiary	-	-	(1,961,303)	-
(Decrease)/Increase in trade and other payables	(10,066,794)	16,800,070	66,406	1,800
Decrease in amount owing to directors	-	(910,373)	-	-
CASH FROM/(FOR) OPERATIONS	10,225,372	8,213,093	(13,357,965)	-
Interest paid	(1,343,432)	(1,263,164)	-	-
Income tax paid	(3,049,520)	(3,380,825)	-	-
Income tax refunded	10,202	-	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES	5,842,622	3,569,104	(13,357,965)	-

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

STATEMENTS OF CASH FLOWS (CONTINUED)

	NOTE	The Group		The Company Period from 21.8.2024 to 31.10.2024	
		2025 RM	2024 [#] RM	2025 RM	31.10.2024 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Increase in Escrow account-i		(500,478)	(1,372,378)	-	-
Interest income received		243,566	56,605	223,695	-
Incorporation of a subsidiary, net of cash and cash equivalents	31	40	-	(60)	-
Proceeds from disposal of property, plant and equipment		-	10,000	-	-
Purchase of property, plant and equipment	33(a)	(260,883)	(1,031,275)	-	-
Addition to pledged fixed deposit		(5,040,407)	(646,615)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(5,558,162)	(2,983,663)	223,635	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		(4,000,000)	(1,000,000)	-	-
Drawdown of term loans	33(b)	-	560,000	-	-
Drawdown of trade financing	33(b)	63,603,309	50,451,334	-	-
Net proceeds from issuance of ordinary shares		18,497,347	1,000	18,497,347	1,000
Repayment of hire purchase payables	33(b)	(1,731,191)	(954,310)	-	-
Repayment of lease liabilities	33(b)	(48,484)	(157,036)	-	-
Repayment of term loans	33(b)	(1,955,943)	(594,750)	-	-
Repayment of trade financing	33(b)	(69,828,647)	(46,153,680)	-	-
NET CASH FROM FINANCING ACTIVITIES		4,536,391	2,152,558	18,497,347	1,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,820,851	2,737,999	5,363,017	1,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		5,729,743	2,991,744	1,000	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	33(d)	10,550,594	5,729,743	5,364,017	1,000

Note:-

As disclosed in Note 4.3 to the financial statements, the comparative figures in the Group's financial statements are presented as if the reorganisation had occurred before the start of the earliest period presented.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2025

1. GENERAL INFORMATION

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

Registered office : E289, 1st Floor, Block E, iCom Square, Jalan Pending, 93450 Kuching, Sarawak.

Principal place of business : Lot 7070 and 7071,
Section 64, Jalan Pending, 93450 Kuching, Sarawak.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 19 January 2026.

2. PRINCIPAL ACTIVITIES

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

3. BASIS OF PREPARATION

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

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

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

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

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

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

Amendments to MFRS 9 and MFRS 7 ‘Amendments to Classification and Measurement of Financial Instruments’ cover a lot of areas including but not limited to (a) derecognition of a financial liability settled through electronic transfer, (b) add examples of financial assets that have, or do not have, contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, (c) clarify when a financial asset has non-recourse features and characteristics of contractually linked instruments. The amendments also introduce new disclosures to Fair Value Through Other Comprehensive Income (FVTOCI) financial assets and contractual terms that could change the timing and amount of contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and of the Company anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

(b) Impairment of Property, Plant and Equipment and Investment Properties

The Group determines whether its property, plant and equipment and investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of property, plant and equipment and investment properties as at the reporting date are disclosed in Notes 6 and 7 to the financial statements.

(c) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 9 and 11 to the financial statements respectively.

(d) Impairment of Non-Trade Receivables

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience. The carrying amounts of contract assets as at the reporting date are disclosed in Note 11 to the financial statements.

(f) Income Taxes

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

Critical Judgements Made in Applying Accounting Policies

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

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

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

Financial Assets at Amortised Cost

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Financial Assets Through Other Comprehensive Income

The Group has elected to designate equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

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

Financial Liabilities at Amortised Cost

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

(c) Equity

Ordinary Shares

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

(d) Financial Guarantee Contracts

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.3 BASIS OF CONSOLIDATION

The Company was incorporated under the listing scheme for the listing and quotation of its entire share capital on the ACE Market of Bursa Malaysia Securities Berhad. On 6 March 2025, the Company had undertaken a restructuring exercise via acquisition of the entire issued share capital of Hartanah Construction Sdn. Bhd..

As the Company did not constitute a business as defined in MFRS 3 Business Combinations, the acquisition was accounted for as a capital reorganisation arising from a transaction under common control, as the ultimate controlling shareholders remain unchanged before and after the internal reorganisation. Accordingly, the consolidated financial statements of the Company represent a continuation of the acquired entity, and the results of the entity are presented as if reorganisation had occurred before the start of the earliest period presented in the financial statements.

In the consolidated financial statements of the Company, the Company incorporated the assets and liabilities of the acquired entity at its pre-internal reorganisation carrying amounts without fair value uplift on the basis that there is no substantive economic change resulting from the internal restructuring. No new goodwill was recorded. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as a merger reserve or deficit.

The Group also incorporated a new subsidiary during the current financial year, which has been accounted for using the acquisition method of accounting.

4.4 INVESTMENTS IN SUBSIDIARIES

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

4.5 PROPERTY, PLANT AND EQUIPMENT

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

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any impairment losses.

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

Building	2%
Containers	10%
Equipment	10%
Furniture and fittings	10%
Motor vehicles	20%
Plant and machineries	20%
Renovation	10%
Scaffolding	10%
Signboard	10%
Site equipment	20%
Software	10%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.6 INVESTMENT PROPERTIES

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

Depreciation on investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rates are:-

Buildings	2%
-----------	----

4.7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

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

(b) Right-of-use Assets

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

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

(c) Lease Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2025 RM	2024 RM
Unquoted shares, at cost	24,955,010	–

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Hartanah Construction Sdn. Bhd.	Malaysia	100%	–	General contractors
Hartanah Kenari Sdn. Bhd.*	Malaysia	60%	–	Dormant

* The subsidiary was reviewed by Crowe Malaysia PLT for consolidation purpose.

- (a) On 18 October 2024, the Company entered into a conditional share sale agreement to acquire the entire equity interest in Hartanah Construction Sdn. Bhd., comprising 3,000,000 ordinary shares from individual shareholders for a total purchase consideration of RM24,954,950, which was fully satisfied through the issuance of 499,099,000 new ordinary shares in the Company. The acquisition was completed on 6 March 2025.
- (b) On 27 August 2025, the Company incorporated a new subsidiary, Hartanah Kenari Sdn. Bhd., by subscribing 60% of its equity interest for a cash consideration of RM60.
- (c) The non-controlling interest at the end of the reporting period comprise the following:-

	Effective Equity interest		The Group	
	2025 %	2024 %	2025 RM	2024 RM
Hartanah Kenari Sdn. Bhd.	40	–	(1,580)	–

- (d) Summarised financial information of non-controlling interest has not been presented as the non-controlling interest of the subsidiary is not individually material to the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. PROPERTY, PLANT AND EQUIPMENT

	At 1.11.2024 RM	Additions RM	Depreciation Charges RM	At 31.10.2025 RM
The Group				
<i>Carrying Amount</i>				
Building	1,770,000	–	(36,000)	1,734,000
Container	131,907	–	(16,690)	115,217
Equipment	536,155	45,712	(72,114)	509,753
Furniture and fittings	262,537	9,275	(30,715)	241,097
Motor vehicles	1,115,987	88,932	(287,464)	917,455
Plant and machineries	2,246,640	–	(692,559)	1,554,081
Renovation	1,171,251	23,583	(128,679)	1,066,155
Scaffolding	81,615	–	(12,028)	69,587
Signboard	1,392	3,400	(431)	4,361
Site equipment	220,294	16,236	(67,267)	169,263
Software	265,092	73,745	(36,652)	302,185
	7,802,870	260,883	(1,380,599)	6,683,154

	At 1.11.2023 RM	Additions RM	Depreciation Charges RM	At 31.10.2024 RM
The Group				
<i>Carrying Amount</i>				
Building	1,800,000	–	(30,000)	1,770,000
Container	148,597	–	(16,690)	131,907
Equipment	387,086	210,815	(61,746)	536,155
Furniture and fittings	258,743	29,184	(25,390)	262,537
Motor vehicles	409,538	976,400	(269,951)	1,115,987
Plant and machineries	3,233,200	4,800	(991,360)	2,246,640
Renovation	575,245	700,652	(104,646)	1,171,251
Scaffolding	93,644	–	(12,029)	81,615
Signboard	1,710	–	(318)	1,392
Site equipment	199,807	81,372	(60,885)	220,294
Software	153,961	134,752	(23,621)	265,092
	7,261,531	2,137,975	(1,596,636)	7,802,870

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2025			
Building	1,800,000	(66,000)	1,734,000
Container	166,900	(51,683)	115,217
Equipment	743,584	(233,831)	509,753
Furniture and fittings	308,759	(67,662)	241,097
Motor vehicles	3,954,890	(3,037,435)	917,455
Plant and machineries	6,692,150	(5,138,069)	1,554,081
Renovation	1,300,644	(234,489)	1,066,155
Scaffolding	120,284	(50,697)	69,587
Signboard	8,074	(3,713)	4,361
Site equipment	521,667	(352,404)	169,263
Software	386,780	(84,595)	302,185
	16,003,732	(9,320,578)	6,683,154

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2024			
Building	1,800,000	(30,000)	1,770,000
Container	166,900	(34,993)	131,907
Equipment	697,872	(161,717)	536,155
Furniture and fittings	299,484	(36,947)	262,537
Motor vehicles	3,865,958	(2,749,971)	1,115,987
Plant and machineries	6,692,150	(4,445,510)	2,246,640
Renovation	1,277,061	(105,810)	1,171,251
Scaffolding	120,284	(38,669)	81,615
Signboard	4,674	(3,282)	1,392
Site equipment	505,431	(285,137)	220,294
Software	313,035	(47,943)	265,092
	15,742,849	(7,939,979)	7,802,870

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	The Group	
	2025	2024
	RM	RM
<i>Depreciation of Property, Plant and Equipment</i>		
Recognised in profit or loss	1,380,599	1,596,636
Contract cost assets recognised in profit or loss	–	24,000
	1,380,599	1,620,636

The carrying amount of property, plant and equipment acquired under hire purchase terms are as follows:-

	The Group	
	2025	2024
	RM	RM
Motor vehicles	723,869	975,557
Plant and machineries	827,167	1,697,167
	1,551,036	2,672,724

These assets have been pledged as security for the hire purchase liabilities of the Group as disclosed in Note 19 to the financial statements.

The building of the Company has been pledged to a licensed bank as security for banking facility granted to the Company as disclosed in Note 18 to the financial statements.

7. INVESTMENT PROPERTIES

	The Group	
	2025	2024
	RM	RM
Cost:-		
At 1 November/31 October	1,201,750	1,201,750
Accumulated depreciation:-		
At 1 November	144,134	120,099
Depreciation during the financial year	24,035	24,035
At 31 October	168,169	144,134
	1,033,581	1,057,616
Represented by:-		
Buildings	1,033,581	1,057,616
	1,033,581	1,057,616
Fair value	1,300,000	1,300,000
	1,300,000	1,300,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENT PROPERTIES (CONT'D)

- (a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 3 to 5 (2024 - 3 to 5) years and an option that is exercisable by the customers to extend their leases for an average of 3 (2024 - 3) years.

The Group requires 2 (2024 - 2) months of advance rental payments from the customers. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	The Group	
	2025 RM	2024 RM
Within 1 year	63,600	62,600
Between 1 and 2 years	57,500	63,600
Between 2 and 3 years	19,200	57,500
Between 3 and 4 years	-	19,200
	140,300	202,900

- (b) The investment properties have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 18 to the financial statements.
- (c) The fair values of the investment properties have been determined based on valuations performed by independent professional valuers using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location, market trends and others. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.
- (d) The following are recognised in profit or loss in respect of investment properties:

	The Group	
	2025 RM	2024 RM
Rental income	(62,400)	(61,200)
Direct operating expenses:		
- income generating investment properties	4,025	2,928

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RIGHT-OF-USE ASSETS

	At 1.11.2024 RM	Derecognition Due to Termination of Lease RM	Depreciation Charge RM	At 31.10.2025 RM
The Group				
<i>Carrying Amount</i>				
Buildings	142,236	(87,754)	(47,939)	6,543

	At 1.11.2023 RM	Addition RM	Derecognition Due to Termination of Lease RM	Depreciation Charges RM	At 31.10.2024 RM
The Group					
<i>Carrying Amount</i>					
Buildings	111,051	158,828	–	(127,643)	142,236
Motor vehicles	45,087	–	(12,643)	(32,444)	–
	156,138	158,828	(12,643)	(160,087)	142,236

	The Group	
	2025 RM	2024 RM
<i>Depreciation of Right-of-use Assets</i>		
Recognised in profit or loss	47,939	160,087
Contract cost assets recognised in profit or loss	–	19,317
	47,939	179,404

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RIGHT-OF-USE ASSETS (CONT'D)

(a) The Group has lease contracts for buildings used in its operations. The lease terms are as below:-

	The Group	
	2025 RM	2024 RM
Buildings	1 to 3 years	1 to 3 years

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

(c) The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

9. TRADE RECEIVABLES

	The Group	
	2025 RM	2024 RM
Third parties	13,414,867	19,830,298
Retention sum	3,124,378	12,077,053
	16,539,245	31,907,351
Allowance for impairment losses	(402,790)	(417,490)
	16,136,455	31,489,861
Allowance for impairment losses:-		
At 1 November	417,490	417,490
Reversal during the financial year	(14,700)	-
At 31 October	402,790	417,490

(a) The Group's normal trade credit terms range from 30 to 60 (2024 – 30 to 60) days.

(b) Included in the trade receivables are retention sums which are expected to be recovered as below:-

	The Group	
	2025 RM	2024 RM
Within 1 year	2,669,662	11,004,450
More than 1 year	454,716	1,072,603
	3,124,378	12,077,053

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables:-				
Third parties	741,673	1,931,382	-	-
Less: Allowance for impairment losses	(24,128)	(34,128)	-	-
	717,545	1,897,254	-	-
Deposits	1,221,674	1,529,402	13,500	-
Prepayments	630,342	1,137,874	20,000	346,247
	2,569,561	4,564,530	33,500	346,247
Allowance for impairment losses:-				
At 1 November/21 August	34,128	34,128	-	-
Reversal during the financial year/period	(10,000)	-	-	-
At 31 October	24,128	34,128	-	-

11. CONTRACT ASSETS

	The Group	
	2025 RM	2024 RM
At 1 November	35,291,499	25,927,655
Performance obligations performed	124,316,019	127,583,739
Transfer to trade receivables	(121,248,654)	(118,219,895)
At 31 October	38,358,864	35,291,499
Represented by:-		
Construction contracts	38,358,864	35,291,499

The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. AMOUNT OWING BY/(TO) SUBSIDIARIES

- (a) The amount owing by subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand except for certain subsidiary bore interest rates ranging from 4.71% to 4.89% (2024 - Nil) per annum.
- (b) The amount owing to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

13. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks at the end of the reporting period bore effective interest rates ranging from 2.05% to 2.50% (2024 – 2.40% to 2.80%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2024 – 1 to 12) months for the Group.
- (b) The fixed deposits with licensed banks at the end of the reporting period have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

14. CASH AND BANK BALANCES

Included in the Group's cash and bank balances are cash margin in escrow account-i amounting to RM1,872,856 (2024 – RM1,372,378) placed with a licensed bank on lien as disclosed in Note 18(a)(viii) to the financial statements.

15. SHARE CAPITAL/INVESTED CAPITAL

(a) Share Capital

	The Company			
	2025 Number of Shares	2024	2025 RM	2024 RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 November/21 August	1,000	1,000	1,000	1,000
Issuance of ordinary shares	120,900,000	–	19,344,000	–
Shares issued for acquisition of a subsidiary	499,099,000	–	24,954,950	–
Share issuance expenses	–	–	(846,653)	–
At 31 October	620,000,000	1,000	43,453,297	1,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. SHARE CAPITAL/INVESTED CAPITAL (CONT'D)

(a) Share Capital (Cont'd)

- (i) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (ii) During the financial year, the Company increased its issued and paid-up share capital from RM1,000 to RM43,453,297 by way of:
- issuance of 120,900,000 new ordinary shares at an issue price of RM0.16 per ordinary share pursuant to the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad for a total cash consideration of RM19,344,000. The listing expenses arising from the issuance of new ordinary shares amounting to RM846,653 were offset against share capital of the Company.
 - Issuance of 499,099,000 new ordinary shares at an issue price of RM0.05 per ordinary share for a total consideration of RM24,954,950 as full payment for the acquisition of the entire equity interest of Hartanah Construction Sdn. Bhd..

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) Invested Capital

	The Group			
	2025 Number of Shares	2024	2025 RM	2024 RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 November	3,001,000	3,000,000	3,001,000	3,000,000
Issuance of ordinary shares	-	1,000	-	1,000
Effect of group restructuring exercise	(3,001,000)	-	(3,001,000)	-
At 31 October	-	3,001,000	-	3,001,000

For the purpose of this report, the invested capital represents the aggregate number of issued shares of Hartanah Kenyalang Berhad and Hartanah Construction Sdn. Bhd..

16. MERGER DEFICIT

The merger deficit arose from the business combination of Hartanah Kenyalang Berhad and its subsidiary which was accounted for under the merger method of accounting principles. Under the merger method of accounting principles, the difference between the carrying value of the investment and the nominal value of the shares of subsidiary will be reflected within equity as merger deficit.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. LEASE LIABILITIES

	The Group	
	2025 RM	2024 RM
At 1 November	143,620	154,938
Additions	–	158,828
Interest expense recognised in profit or loss	1,117	5,274
Derecognition due to termination of lease	(88,321)	(13,110)
Repayment of principal	(48,484)	(157,036)
Repayment of interest expense	(1,117)	(5,274)
At 31 October	6,815	143,620
Analysed by:-		
Current liabilities	5,820	88,091
Non-current liabilities	995	55,529
	6,815	143,620

18. BANK BORROWINGS

	The Group	
	2025 RM	2024 RM
Short-term borrowings:-		
Secured:		
Bank overdrafts	–	189,753
Hire purchase payables (Note 19)	548,452	967,606
Term loans	–	673,918
Trade financing	6,694,268	12,919,606
	7,242,720	14,750,883
Long-term borrowings:-		
Secured:		
Hire purchase payables (Note 19)	1,011,236	2,323,273
Term loans	–	1,282,025
	1,011,236	3,605,298

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. BANK BORROWINGS (CONT'D)

	The Group	
	2025	2024
	RM	RM
Total borrowings:-		
Secured:		
Bank overdrafts	–	189,753
Hire purchase payables (Note 19)	1,559,688	3,290,879
Term loans	–	1,955,943
Trade financing	6,694,268	12,919,606
	8,253,956	18,356,181

- (a) The bank overdrafts, term loans and trade financing are secured by:-
- (i) Property, plant and equipment and investment property of the Group as disclosed in Notes 6 and Note 7;
 - (ii) Joint and several guarantee by all the directors and an ex-director of the Group. The ex-director was released from the guarantee during the current financial year;
 - (iii) Pledged over fixed deposits as disclosed in Note 13;
 - (iv) Corporate guarantee by the holding company during the current financial year and by the former holding company in the previous financial year;
 - (v) Absolute assignment of life policy by certain directors and an ex-director of the Group;
 - (vi) An assignment of the Contract Proceeds receivable from contract awarders for which a Deed of Assignment of Contract Proceeds and Power of Attorney are to be executed;
 - (vii) Master deed of assignment of contract proceeds between the Group and the Bank;
 - (viii) Pledge of cash margin in the Escrow Account-i for bank guarantees by way of upfront 10% - 20% cash margin to be collected prior to each issuance and remaining 10% - 20% cash margin to be collected via sinking fund build-up by way of deducting 5% from each contract proceeds received as disclosed in Note 14;
 - (ix) Fixed charged over Project Account-i;
 - (x) Specific first party assignment of contract proceeds receivables from the Group; and
 - (xi) Against 70% guarantee coverage by the Government of Malaysia (Syarikat Jaminan Pembiayaan Perniagaan Berhad). This security was released during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. BANK BORROWINGS (CONT'D)

- (b) In connection with bank overdrafts and trade financing, the Group has to comply with the following significant covenants:-
- (i) The Group shall not declare, pay or make any dividend or bonus issue or other distribution whether of an income or capital nature and whether in cash or in other form, without the prior written consent to the Bank;
 - (ii) Amount due from directors, related companies, and related parties to be capped at RM1,650,000 from FYE 31 October 2022 onwards. No further advances are allowed prior to Bank's written consent;
 - (iii) The Group shall maintain a tangible net worth of not less than RM2,400,000 at all times. Tangible net worth shall include the aggregate of paid-up capital, retained earnings and subordinated debt (if any);
 - (iv) Gearing ratio of not more than 3.25 times; and
 - (v) Debt Service Coverage of at least 1.25 times during the tenure of the facilities.

The covenants are tested at the financial year end. The Company has complied with the covenants.

- (c) The bank borrowings bore weighted average effective interest rate as follows:-

	The Group	
	2025	2024
	%	%
Secured:		
Bank overdrafts	-	8.10
Hire purchase payables	4.10 - 7.86	4.10 - 7.86
Term loans	-	3.50 - 6.04
Trade financing	4.81 - 6.85	4.89 - 6.58

- (d) The short-term financing facilities are subject to annual review. The next annual review will commence on 28 February 2026 (2024 – 28 February 2025).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. HIRE PURCHASE PAYABLES

	The Group	
	2025	2024
	RM	RM
Minimum hire purchase payments:		
- not later than 1 year	627,113	1,132,581
- later than 1 year and not later than 5 years	1,083,528	2,535,735
	1,710,641	3,668,316
Less: Future finance charges	(150,953)	(377,437)
	1,559,688	3,290,879
Analysed by:-		
Current liabilities	548,452	967,606
Non-current liabilities	1,011,236	2,323,273
	1,559,688	3,290,879

20. DEFERRED TAX LIABILITIES

	At	Recognised in	At
	1.11.2023	Profit or Loss	31.10.2024
	RM	RM	RM
The Group			
2024			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	(1,694)	1,694	-

21. TRADE PAYABLES

- (a) The normal trade credit term granted to the Group ranging from 30 to 90 (2024 – 30 to 90) days.
- (b) Included in the trade payables are retention sums which are expected to be settled as below:-

	The Group	
	2025	2024
	RM	RM
Within 1 year	1,497,473	731,202
More than 1 year	5,120,946	4,185,970
	6,618,419	4,917,172

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables:				
- third parties	98,730	924,812	32,206	-
Deposits	39,300	39,300	-	-
Accruals	671,218	1,274,033	36,000	1,800
Dividend payable	-	4,000,000	-	-
	809,248	6,238,145	68,206	1,800

23. AMOUNT OWING TO A RELATED PARTY

The amount owing to a related party is trade in nature, unsecured, interest-free and repayable on demand.

24. REVENUE

	The Group	
	2025 RM	2024 RM
<u>Revenue recognised over time</u>		
Contract revenue	124,694,681	127,588,119

(a) The information about the performance obligations in contracts with customers is summarised below:-

Nature of Goods or Services	Timing and Method of Revenue Recognition	Significant Payment Terms	Variable Considerations	Warranty and Obligations for Returns or Refunds
<i>Construction contracts</i>	<i>When services are rendered using the cost incurred method</i>	<i>Based on agreed milestones, certified by architects. The credit period is 30 to 60 days from the invoice date.</i>	<i>A Liquidated and Ascertained Damages charge at 0.0055% - 0.0219% of original contract sum, calculated daily.</i>	<i>Defect liability period of 12 to 27 months is given to customers</i>

(b) As of 31 October 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations is RM75,034,506 (2024 – RM147,063,671). The Group and the Company will recognise this amount of revenue as and when performance obligations are satisfied, which is expected to occur over the next 1 (2024 - 2) years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. OTHER INCOME

	The Group		The Company Period from 21.8.2024 to 31.10.2024	
	2025 RM	2024 RM	2025 RM	2024 RM
Gain on disposal of property, plant and equipment	–	10,000	–	–
Gain on termination of lease	569	467	–	–
Hiring charges	105,725	–	–	–
Interest income	243,566	56,605	223,695	–
Insurance compensation	–	9,000	–	–
Lease income	62,400	61,200	–	–
Other income	8,827	28,100	5,800	–
Management fee	–	–	552,825	–
	421,087	165,372	782,320	–

26. FINANCE COSTS

	The Group	
	2025 RM	2024 RM
Interest expense on financial liabilities that are not at fair value through profit or loss:		
- bank overdrafts	60,268	190,523
- hire purchase	146,822	185,163
- lease	1,117	5,274
- other interest	–	3,810
- term loans	75,269	115,094
- trade financing	1,059,956	763,300
	1,343,432	1,263,164

27. NET IMPAIRMENT GAINS ON FINANCIAL ASSETS

	The Group	
	2025 RM	2024 RM
Reversal of impairment losses on trade receivables	(14,700)	–
Reversal of impairment losses on other receivables	(10,000)	–
	(24,700)	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. PROFIT BEFORE TAXATION

	The Group		The Company Period from 21.8.2024 to 31.10.2024	
	2025 RM	2024 RM	2025 RM	31.10.2024 RM
Profit before taxation is arrived at after charging:-				
Auditors' remuneration:				
- audit fees				
- current financial year/period	78,000	39,800	30,000	1,800
- underprovision in the previous financial year/period	3,200	10,000	3,200	-
- non-audit fees	24,000	-	7,000	-
Depreciation:				
- investment properties	24,035	24,035	-	-
- property, plant and equipment	1,380,599	1,620,636	-	-
- right-of-use assets	47,939	179,404	-	-
Directors' remuneration:				
- fees	759,600	234,000	480,000	-
- salaries, bonuses and allowances	1,890,444	1,584,900	46,500	-
- E.P.F. contribution	216,525	185,886	-	-
- E.I.S. contribution	286	242	-	-
- SOCSO contribution	3,392	2,870	-	-
Lease expenses:				
- low value assets	25,447	31,693	-	-
- short-term leases	243,175	306,108	-	-
Staff costs (including other key management personnel as disclosed in Note 34):				
- salaries, bonuses and allowances	5,443,616	4,457,828	-	-
- E.P.F. contribution	656,301	532,796	-	-
- E.I.S. contribution	7,121	5,575	-	-
- SOCSO contribution	88,581	70,944	-	-
Wages	647,240	1,689,687	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. INCOME TAX EXPENSE

	The Group		The Company Period from 21.8.2024 to 31.10.2024	
	2025 RM	2024 RM	2025 RM	31.10.2024 RM
Current tax expense:				
- for the financial year/period	1,365,900	4,174,264	15,900	-
- (over)/underprovision in the previous financial year/period	(9,270)	100,595	-	-
	1,356,630	4,274,859	15,900	-
Deferred tax expense:				
- for the financial year/period	-	(1,694)	-	-
	1,356,630	4,273,165	15,900	-

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company Period from 21.8.2024 to 31.10.2024	
	2025 RM	2024 RM	2025 RM	31.10.2024 RM
Profit/(Loss) before taxation	3,501,762	13,479,258	(1,834,924)	(1,616,856)
Tax at the statutory tax rate of 24% (2024 - 24%)	840,423	3,235,022	(440,382)	(388,045)
Tax effects of:-				
Non-deductible expenses	484,635	920,842	457,674	388,045
Non-taxable income	(7,457)	-	(1,392)	-
Deferred tax movement not recognised during the financial year/period	48,299	16,706	-	-
(Over)/Underprovision in the previous financial year/period:				
- income tax	(9,270)	100,595	-	-
Income tax expense for the financial year/period	1,356,630	4,273,165	15,900	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. EARNINGS PER SHARE

(a) Basis Earnings Per Share

The basic earnings per share is calculated by dividing the combined profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year:-

	The Group	
	2025	2024
	RM	RM
Profit after tax attributable to owners of the Company (RM)	2,146,752	9,206,093
Weighted average number of ordinary shares in issue	386,677,589	3,001,000
Basic earnings per ordinary share (sen)	0.56	307

(b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there are no potential dilutive ordinary shares in issue.

31. INCORPORATION OF A SUBSIDIARY

On 27 August 2025, the Company incorporated a new subsidiary namely, Hartanah Kenari Sdn. Bhd., with a paid-up capital of RM100 of which 60% is owned by the Company.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired at the date of incorporation:-

	The Group
	2025
	RM
Net identifiable assets upon incorporation:	
- cash and bank balances	100
Less: Non-controlling interest, measured at the proportionate share of the fair value of the net identifiable assets	(40)
Total purchase consideration, to be settled by cash	60
Less: Cash and bank balances of new incorporated subsidiary	(100)
Net cash inflow upon incorporation of a subsidiary	(40)
	The Company
	2025
	RM
Total purchase consideration, to be settled by cash representing net cash outflow upon incorporation of a subsidiary	60

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. DIVIDENDS

	The Group	
	2025	2024
	RM	RM
First interim dividend of Nil (2024 - RM0.33) per ordinary share in respect of the current financial year	–	1,000,000
Second interim dividend of Nil (2024 - RM0.33) per ordinary share in respect of the current financial year	–	1,000,000
Third interim dividend of Nil (2024 - RM0.33) per ordinary share in respect of the current financial year	–	1,000,000
Final interim dividend of Nil (2024 - RM0.67) per ordinary share in respect of the current financial year	–	2,000,000
	–	5,000,000

Subsequent to the end of the financial year, the Company has declared a first interim dividend of 0.1 sen per ordinary share in respect of the financial year ended 31 October 2025 to be paid on 12 February 2026.

33. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2025	2024
	RM	RM
Property, plant and equipment		
Cost of property, plant and equipment purchased	260,883	2,137,975
Less: Acquired through hire purchase arrangements	–	(1,106,700)
	260,883	1,031,275
Right-of-use assets		
Cost of right-of-use assets acquired	–	158,828
Less: Additions of new lease liabilities	–	(158,828)
	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Lease Liabilities RM	Hire Purchase Payables RM	Term Loans RM	Trade Financing RM	Total RM
The Group					
2025					
At 1 November	143,620	3,290,879	1,955,943	12,919,606	18,310,048
<u>Changes in Financing</u>					
<u>Cash Flows</u>					
Proceeds from drawdown	–	–	–	63,603,309	63,603,309
Repayment of principal	(48,484)	(1,731,191)	(1,955,943)	(69,828,647)	(73,564,265)
Repayment of interest	(1,117)	(146,822)	(75,269)	(1,059,956)	(1,283,164)
	(49,601)	(1,878,013)	(2,031,212)	(7,285,294)	(11,244,120)
<u>Other Changes</u>					
Termination of lease	(88,321)	–	–	–	(88,321)
Interest expense recognised in profit or loss	1,117	146,822	75,269	1,059,956	1,283,164
	(87,204)	146,822	75,269	1,059,956	1,194,843
At 31 October	6,815	1,559,688	–	6,694,268	8,260,771
2024					
At 1 November	154,938	3,009,489	1,990,693	8,621,952	13,777,072
<u>Changes in Financing</u>					
<u>Cash Flows</u>					
Proceeds from drawdown	158,828	1,235,700	560,000	50,451,334	52,405,862
Repayment of principal	(157,036)	(954,310)	(594,750)	(46,153,680)	(47,859,776)
Repayment of interest	(5,274)	(185,163)	(115,094)	(763,300)	(1,068,831)
	(3,482)	96,227	(149,844)	3,534,354	3,477,255
<u>Other Changes</u>					
Termination of lease	(13,110)	–	–	–	(13,110)
Interest expense recognised in profit or loss	5,274	185,163	115,094	763,300	1,068,831
	(7,836)	185,163	115,094	763,300	1,055,721
At 31 October	143,620	3,290,879	1,955,943	12,919,606	18,310,048

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2025 RM	2024 RM
Interest paid on lease liabilities	1,117	5,274
Payment of lease liabilities	48,484	157,036
Payment of low-value assets	25,447	31,693
Payment of short-term leases	243,175	306,108
	318,223	500,111

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed deposits with licensed banks	7,440,153	2,389,594	-	-
Cash and bank balances	12,413,298	7,291,874	5,364,017	1,000
Bank overdrafts	-	(189,753)	-	-
	19,853,451	9,491,715	5,364,017	1,000
Less:				
Escrow account-i (Note 18(a)(viii))	(1,872,856)	(1,372,378)	-	-
Fixed deposits pledged to license banks	(7,430,001)	(2,389,594)	-	-
Cash and cash equivalents	10,550,594	5,729,743	5,364,017	1,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group include executive directors and non-executive directors of the Group and certain members of senior management of the Group.

The key management personnel compensation during the financial year are as follows:-

(a) Directors

	The Group		The Company Period from 21.8.2024 to 31.10.2024	
	2025 RM	2024 RM	2025 RM	31.10.2024 RM
Short-term employee benefits:				
- fees	759,600	234,000	480,000	-
- salaries, bonuses, allowances and other benefits	1,894,122	1,588,012	46,500	-
	2,653,722	1,822,012	526,500	-
Defined contribution benefits	216,525	185,886	-	-
Total directors' remuneration (Note 28)	2,870,247	2,007,898	526,500	-

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Group and of the Company were RM58,112 (2024 – RM65,300).

(b) Other Key Management Personnel

	The Group	
	2025 RM	2024 RM
Short-term employee benefits	812,838	633,223
Defined contribution benefits	97,040	76,682
Total compensation for other key management personnel (Note 28)	909,878	709,905

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year/period:-

	The Group		The Company Period from 21.8.2024 to 31.10.2024	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest income received or receivable from a subsidiary:				
- Hartanah Construction Sdn. Bhd.	-	-	(160,631)	-
Management fees received or receivable from a subsidiary:				
- Hartanah Construction Sdn. Bhd.	-	-	(552,825)	-
Purchase of materials from related parties:				
- HT Ironworks Sdn. Bhd.	77,071	9,192	-	-
- Indah Asia Sdn. Bhd.	501,705	61,333	-	-
Subcontractor charges paid or payable to a related party:				
- HT Ironworks Sdn. Bhd.	634,784	3,391,751	-	-
Transportation charges paid or payable to a related party:				
- Indah Asia Sdn. Bhd.	127,002	126,496	-	-

The outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

36. CAPITAL COMMITMENTS

	The Group	
	2025 RM	2024 RM
Purchase of property, plant and equipment	2,953,586	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	2025 RM	2024 RM
Performance guarantee extended by a subsidiary to third parties	19,678,180	7,732,508

As at the reporting date, no values were placed on the performance guarantees provided by the Group as the directors regard the value of the credit enhancement provided by the performance guarantees to be minimal and the likelihood of default to be low.

38. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

38.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 18 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

The sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as change in interest rate would not have impact to the profit or loss and equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 3 customers which constituted approximately 97% of its trade receivables at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Company after deducting any allowance for impairment losses.

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 365 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of revenue over certain period from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

Allowance for Impairment Losses

	Gross Amount RM	Lifetime Individual Allowance RM	Carrying Amount RM
The Group			
2025			
Current (not past due)	4,976,006	–	4,976,006
1 to 30 days past due	6,272,172	–	6,272,172
31 to 60 days past due	896,706	–	896,706
121 to 150 days past due	709,443	–	709,443
Beyond 151 days past due	239,163	–	239,163
Credit impaired	321,377	(321,377)	–
Retention sum	3,124,378	(81,413)	3,042,965
Trade receivables	16,539,245	(402,790)	16,136,455
Contract assets	38,358,864	–	38,358,864
	54,898,109	(402,790)	54,495,319

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

	Gross Amount RM	Lifetime Individual Allowance RM	Carrying Amount RM
The Group			
2024			
Current (not past due)	14,442,882	–	14,442,882
1 to 30 days past due	4,851,726	–	4,851,726
31 to 60 days past due	213,884	(14,271)	199,613
61 to 120 days past due	429	(429)	–
Credit impaired	321,377	(321,377)	–
Retention sum	12,077,053	(81,413)	11,995,640
Trade receivables	31,907,351	(417,490)	31,489,861
Contract assets	35,291,499	–	35,291,499
	67,198,850	(417,490)	66,781,360

The movements in the loss allowances in respect of trade receivables are disclosed in Note 9 to the financial statements.

The allowance for impairment losses (determined on an individual basis) relates to credit impaired trade receivables who are in significant financial difficulties and have defaulted on payments. No impairment losses are provided for the remaining trade receivables because there have been no significant changes in their credit quality and the amounts are considered recoverable but with slower repayment records.

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for their other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 300 days past due in making a contractual payment.

The Group and the Company use 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 300 days past due	Lifetime expected credit losses

The Group and the Company measure the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Allowance for Impairment Losses

	The Group	
	2025 RM	2024 RM
At 1 November	34,128	34,128
Reversal (Note 27)	(10,000)	–
At 31 October	24,128	34,128

The allowance for impairment losses (determined on an individual basis) relates to credit impaired other receivables who are in significant financial difficulties and have defaulted on payments. No impairment losses are provided for the remaining other receivables because there have been no significant changes in their credit quality and the amounts are considered recoverable but with slower repayment records.

There has not been any significant change in the gross amounts of other receivables that impacted the allowance for impairment losses.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company also applies the 3-stage general approach to measure expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

No expected credit loss is recognised on amount owing by subsidiaries as it is negligible.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to a subsidiary are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiary' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when the subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
The Group					
2025					
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Bank borrowings	4.81 - 7.86	8,253,956	8,404,909	7,321,381	1,083,528
Lease liabilities	4.33	6,815	7,000	6,000	1,000
Trade payables	–	30,750,139	30,750,139	30,750,139	–
Other payables and accruals	–	769,948	769,948	769,948	–
		39,780,858	39,931,996	38,847,468	1,084,528
2024					
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Bank borrowings	3.50 - 8.10	18,356,181	19,212,155	15,269,731	3,942,424
Lease liabilities	4.30 - 4.33	143,620	149,600	92,200	57,400
Trade payables	–	39,388,036	39,388,036	35,202,066	4,185,970
Other payables and accruals	–	6,198,845	6,198,845	6,198,845	–
Amount owing to a related party	–	42,476	42,476	42,476	–
		64,129,158	64,991,112	56,805,318	8,185,794

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company				
2025				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	–	68,206	68,206	68,206
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	–	–	70,000,000*	70,000,000
		68,206	70,068,206	70,068,206
2024				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	–	1,800	1,800	1,800
Amount owing to a subsidiary	–	1,961,303	1,961,303	1,961,303
		1,963,103	1,963,103	1,963,103

* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiary at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, loans and borrowings from financial institutions less fixed deposits with licensed banks and cash and bank balances. The debt-to-equity ratio of the Group and of the Company at the end of the reporting period was as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Bank borrowings	8,253,956	18,356,181	-	-
Lease liabilities	6,815	143,620	-	-
	8,260,771	18,499,801	-	-
Less: Fixed deposits with licensed banks	(7,440,153)	(2,389,594)	-	-
Less: Cash and bank balances	(12,413,298)	(7,291,874)	(5,364,017)	(1,000)
Net debt	(11,592,680)	8,818,333	(5,364,017)	(1,000)
Total equity	45,645,199	25,002,680	39,985,617	(1,615,856)
Debt-to-equity ratio	(0.25)	0.35	*	*

* Not applicable as the Company has no external borrowings.

There was no change in the approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial Assets				
<u>Amortised Cost</u>				
Trade receivables	16,136,455	31,489,861	–	–
Other receivables	717,545	1,897,254	–	–
Amount owing by subsidiaries	–	–	9,717,196	–
Fixed deposits with licensed banks	7,440,153	2,389,594	–	–
Cash and bank balances	12,413,298	7,291,874	5,364,017	1,000
	36,707,451	43,068,583	15,081,213	1,000
Financial Liabilities				
<u>Amortised Cost</u>				
Bank borrowings	8,253,956	18,356,181	–	–
Lease liabilities	6,815	143,620	–	–
Trade payables	30,750,139	39,388,036	–	–
Other payables and accruals	769,948	6,198,845	68,206	1,800
Amount owing to a related party	–	42,476	–	–
Amount owing to a subsidiary	–	–	–	1,961,303
	39,780,858	64,129,158	68,206	1,963,103

38.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM	Period from 21.8.2024 to 31.10.2024 RM	2025 RM	Period from 21.8.2024 to 31.10.2024 RM
Financial Assets				
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	268,266	56,605	223,695	–
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(1,342,315)	(1,257,890)	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statement of financial position.

The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The fair value of term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

The fair value of hire purchase payables that carry fixed interest rates approximated their carrying amounts as the impact of discounting is not material. The fair value is determined by discounting the relevant cash flows using current market interest rates for similar instruments and the fair value is within level 2 of the fair value hierarchy.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 6 March 2025, the Company completed the acquisition of the entire equity interest in Hartanah Construction Sdn. Bhd., comprising 3,000,000 ordinary shares, for a total purchase consideration of RM24,954,950.
- (b) On 30 April 2025, the Company launched its Prospectus and had undertaken the following issuance of new shares:-
 - (i) a public issue of 120,900,000 new ordinary shares ("Public Issue Shares") of the Company at an issue price of RM0.16 per Public Issue Share allocated in the following manner:
 - (a) 31,000,000 Public Issue Shares made available for application by the Malaysian Public;
 - (b) 18,600,000 Public Issue Shares made available for application by the eligible directors and employees of the Group, and persons who have contributed to the success of the Group; and
 - (c) 71,300,000 Public Issue Shares made available by way of private placement to selected investors.
 - (ii) an offer for sale of 77,500,000 existing ordinary shares of the Company by way of private placement to identified Bumiputera investors approved by the Ministry of Investment, Trade and Industry.
- (c) On 9 June 2025, the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad.

40. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The Group has on 5 December 2025, announced the award of a contract on construction of immigration post and quarters at Serikin, Bau, Sarawak, with a contract value of RM42,785,699.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

41. COMPARATIVE FIGURES

(a) The Group

The acquisition of the entire issued and paid-up share capital of Hartanah Construction Sdn.Bhd. by the Company was accounted for as a capital reorganisation arising from a transaction under common control and did not result in any change in economic substance. Accordingly, the Group is a continuation of the acquired entity and accounted for as follows:

- (i) the assets and liabilities of the acquired entity are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- (ii) the retained profits and other equity balances of acquired entity immediately before the business combination are those of the Group; and
- (iii) the equity structure, however, reflects the equity structure of the Company and the difference arising from the change in equity structure of the Group will be accounted for in merger deficit.

The comparative figures were derived from the combined financial statements as disclosed in the prospectus.

(b) The Company

- (i) The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM	As Restated RM
Statement of Financial Position (Extract):-		
Amount owing to a related party	1,961,303	-
Amount owing to a subsidiary	-	1,961,303

- (ii) The comparative figures of the Company covered for the financial period from 21 August 2024 to 31 October 2024. Consequently, the comparative figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and their related notes are not comparable to that for the current 12-month period ended 31 October 2025 of the Company.

LIST OF PROPERTIES

No.	Date of Acquisition	Location	Description	Usage	Tenure	Remaining Lease Period	Lease Expiry Date	Built Up Area (sq. ft.)	Age of Buildings	Net Book Value (RM'000)
1	12-07-23	Lot 7070 & 7071, Section 64, Kuching Town Land District	3 storey shophouse	Office	Leasehold	16 years	13-07-41	9,274.4	40 years	1,734
2	04-09-19	Sublot 36, Lot 329 & 332, Block 46, Kuching Central Land District	3 storey commercial shoplot	Investment property	Leasehold	11 years	31-12-36	4,000	6 years	1,034

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JANUARY 2026

Issued share capital	:	620,000,000 ordinary shares
Class of shares	:	Ordinary shares
Voting rights	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Holdings	No. of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100 shares	2	101	0.00*
100 – 1,000 shares	1,037	423,400	0.07
1,001 – 10,000 shares	918	5,071,699	0.82
10,001 – 100,000 shares	427	17,410,700	2.80
100,001 – less than 5% of issued shares	176	182,435,100	29.43
5% and above of issued shares	4	414,659,000	66.88
Total	2,564	620,000,000	100.00

* Less than 0.01%

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (BASED ON RECORD OF SHAREHOLDERS)

No.	Account Holder	No. of Shares Held	Percentage (%)
1.	Seah Boon Tiat	126,812,100	20.45
2.	Choy Mui Seng @ Chai Mui Seng	101,136,900	16.31
3.	Cheok Liam Fock	93,355,000	15.06
4.	Seah Boon Kee	93,355,000	15.06
5.	Foo Siang Lin	14,823,000	2.39
6.	Yio Jee Win	11,436,900	1.85
7.	Citigroup Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board (PHEIM)	10,000,000	1.61
8.	Moomoo Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Foo Siang Lin	10,000,000	1.61
9.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Won Wei Zhang (MY3382)	7,237,500	1.17
10.	Lau Gaik Yeow	5,000,000	0.81

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (BASED ON RECORD OF SHAREHOLDERS) (CONT'D)

No.	Account Holder	No. of Shares Held	Percentage (%)
11.	Teo Peak Ying	4,625,000	0.75
12.	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB for Boey Tze Nin (Pb)	4,000,000	0.65
13.	Amsec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account - Ambank (M) Berhad for Ong Kok Lim (Smart)	3,585,100	0.58
14.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Low Chin Koon (Datuk) (MY4469)	3,500,000	0.57
15.	Eric Chai Kok Kheng	3,229,200	0.52
16.	Wong Kim Chen @ Dickson Wong	3,178,700	0.51
17.	Chin Pak Chuan	3,125,000	0.50
18.	Hong Kun Yee	3,125,000	0.50
19.	Cartaban Nominees (Asing) Sdn. Bhd. - Exempt an for Barclays Capital Securities Ltd (SBL/PB)	2,840,400	0.46
20.	SSB Investment Sdn. Bhd.	2,800,000	0.45
21.	Linda Wang Siok Kim	2,155,000	0.35
22.	Khoh Kean Haur	2,062,500	0.33
23.	Hooi Chet Kai	2,016,000	0.33
24.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Eric Leong Kai Meng (MY4497)	2,000,000	0.32
25.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Loh Sai Yong (E-TMI)	2,000,000	0.32
26.	Lau Yit Huoi	1,975,000	0.32
27.	Kho Swee Aik	1,892,500	0.30
28.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Mee King (7000115)	1,762,500	0.28
29.	Loh Ken Chen	1,733,500	0.28
30.	TA Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Low Chin Koon (Datuk)	1,673,600	0.27
Total		526,435,400	84.91

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

LIST OF SUBSTANTIAL SHAREHOLDERS (BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Seah Boon Tiat	126,812,100	20.45	93,355,000 ^(a)	15.06
2. Choy Mui Seng @ Chai Mui Seng	101,136,900	16.31	–	–
3. Cheok Liam Fock	93,355,000	15.06	20,000 ^(b)	0.00*
4. Seah Boon Kee	93,355,000	15.06	126,812,100 ^(c)	20.45

* Less than 0.01%

Notes:

- (a) Deemed interested by virtue of interest of his elder brother, Seah Boon Kee, in the Company pursuant to Section 8 of the Act.
- (b) Deemed interested by virtue of interest of his sibling's shareholding in the Company.
- (c) Deemed interested by virtue of interest of his younger brother, Seah Boon Tiat, in the Company pursuant to Section 8 of the Act.

LIST OF DIRECTORS' SHAREHOLDINGS (BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS)

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Datin Josephine Anak Hilary Dom @ Josephine John	300,000	0.05	–	–
2. Seah Boon Tiat	126,812,100	20.45	93,355,000 ⁽ⁱ⁾	15.06
3. Seah Boon Kee	93,355,000	15.06	126,812,100 ⁽ⁱⁱ⁾	20.45
4. Cheok Liam Fock	93,355,000	15.06	20,000 ⁽ⁱⁱⁱ⁾	0.00*
5. Choy Mui Seng @ Chai Mui Seng	101,136,900	16.31	–	–
6. Fong Yoo Kaw @ Fong Yee Kow	300,000	0.05	–	–
7. Ong Ai-Lyn	300,000	0.05	–	–
8. Chai Suk Phin	300,000	0.05	–	–

* Less than 0.01%

Notes:

- (i) Deemed interested by virtue of interest of his elder brother, Seah Boon Kee, in the Company pursuant to Section 8 of the Act.
- (ii) Deemed interested by virtue of interest of his younger brother, Seah Boon Tiat, in the Company pursuant to Section 8 of the Act.
- (iii) Deemed interested by virtue of interest of his sibling's shareholding in the Company.

NOTICE OF 2ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second (2nd) Annual General Meeting (“AGM”) of Hartanah Kenyalang Berhad (“HKB” or “the Company”) shall be held at Sheraton Kuching Hotel, No. 2, Jalan Padungan, 93100 Kuching, Sarawak, on Monday, 13 April 2026 at 9.00 a.m. to transact the following business: -

AGENDA

ORDINARY BUSINESS

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 October 2025, together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note (A) |
| 2. | To approve the payment of Directors’ fees amounting to RM480,000 payable to the Directors of the Company for the financial year ended 31 October 2025. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors’ meeting attendance allowances and any other benefits for an amount of up to RM100,000 from the date of the passing of this Ordinary Resolution until the next AGM. | Ordinary Resolution 2 |
| 4. | To re-elect the following Directors who retire by rotation pursuant to Clause 89 of the Company’s Constitution, and being eligible, offer themselves for re-election: - | |
| | a) Mr Seah Boon Kee | Ordinary Resolution 3 |
| | b) Ms Chai Suk Phin | Ordinary Resolution 4 |
| | c) Mr Cheok Liam Fock | Ordinary Resolution 5 |
| 5. | To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorize the Board of Directors to fix their remuneration. | Ordinary Resolution 6 |

SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

- | | | |
|----|--|------------------------------|
| 6. | Authority to Issue and Allot Shares of the Company Pursuant to Sections 75 and 76 of the Companies Act 2016 | Ordinary Resolution 7 |
|----|--|------------------------------|

“THAT the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”), to issue and allot shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being; **THAT** the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for 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, subject always to the Act, the Constitution of the Company, the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Securities and approvals of the relevant authorities, where required (“General Mandate”).

AND FURTHER THAT in connection with the above, pursuant to Section 85 of the Act which must be read together with Clause 15 of the Constitution of the Company, the shareholders of the Company do hereby waive the statutory pre-emptive rights of the offered shares in proportion to their holdings at such price and at such terms to be offered arising from any issuance of the new shares above by the Company.”

NOTICE OF 2ND ANNUAL GENERAL MEETING (CONTINUED)

7. Proposed New Shareholders' Mandate for the Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

Ordinary Resolution 8

"**THAT** approval be and is hereby given pursuant to Rule 10.09 of the Listing Requirements of Bursa Securities to the Company and its subsidiaries ("Group") to enter into RRPT of a revenue or trading nature as set out in the Circular to Shareholders dated 26 February 2026, which are necessary for its day-to-day operations in its ordinary course of business, at arm's length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time it shall lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be hereby authorized to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate and that the estimated values are given for the RRPT as specified in the Circular being provisional in nature, the Directors of the Company be hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review procedures set out in the Circular."

8. To transact any other business of which due notice shall have been given in accordance with the Act and the Constitution of the Company

By order of the Board

PAULINE KON SUK KHIM
(CCM Practicing Certificate No. 202008001607)
(MAICSA 7014905)
Company Secretary
Date: 26 February 2026

NOTICE OF 2ND ANNUAL GENERAL MEETING (CONTINUED)

Notes: -

1. *To determine a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 65 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as at 7 April 2026. Only a depositor whose name appears on the General Meeting Record of Depositors as at 7 April 2026 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*
2. *A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. A proxy may not be a member of the Company and a member may appoint any persons to be his/her proxy.*
3. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
5. *The Form of Proxy, in the case of an individual, shall be signed by the appointer or his/her attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorized.*
6. *The duly completed Form of Proxy must be deposited at the registered office of the Company at E289, 1st Floor, Block E Icom Square, Jalan Pending 93450 Kuching, Sarawak, not less than forty-eight (48) hours before the time appointed for this Second (2nd) AGM or any adjournment thereof.*
7. *If the appointer is a corporation, this form must be executed under its seal or the hand of an officer or an attorney duly authorised.*
8. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all transactions set out in the Notice of AGM will be put to vote by poll.*

EXPLANATORY NOTES:

(A) AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements are laid before the shareholders for discussion only as they do not require shareholders' approval pursuant to Section 340(1) of the Act. Hence, this matter will not be put for voting.

(B) ORDINARY RESOLUTION 1 AND 2

Payment of Directors' Fees, Meeting Allowances and any other Benefits

Section 230(1) of the Act, requires that the Directors' fees, meeting allowances and benefits payable to the Directors of a public company must be approved at a general meeting. Accordingly, shareholders' approval is sought for the payment of Directors' fees, meeting attendance allowances and any other benefits which shall take effect from the date of passing of this Ordinary Resolution until the next AGM.

(C) ORDINARY RESOLUTION 3, 4 AND 5

Re-election of Directors Pursuant to Clause 89 of the Constitution of the Company

In accordance with Clause 89 of the Company's Constitution, Mr Seah Boon Kee, Ms Chai Suk Phin and Mr Cheok Liam Fock are due to retire by rotation, and being eligible, have offered themselves for re-election.

The Nomination and Remuneration Committee ("NRC") assessed the performance of Mr Seah Boon Kee, Ms Chai Suk Phin and Mr Cheok Liam Fock (collectively "the retiring Directors") according to the fit and proper criteria. The retiring Directors have satisfied the criteria of character and integrity, experience and competence, as well as time and commitment, as set out in the Company's Fit and Proper Policy. Based on the recommendation of the NRC, the Board is satisfied with the performance and contributions of the retiring Directors and supports their re-election.

The profiles of the Directors who are standing for re-election are set out in the Board of Directors Profiles of the 2025 Annual Report of the Company.

NOTICE OF 2ND ANNUAL GENERAL MEETING (CONTINUED)

EXPLANATORY NOTES: (CONT'D)

(D) ORDINARY RESOLUTION 7

Authority to Issue and Allot Shares of the Company Pursuant to Sections 75 and 76 of the Act

This Ordinary Resolution, if passed, will empower the Directors of the Company to issue and allot shares in the Company and to make or grant offers, agreements, rights or options in respect of new shares in the Company pursuant to the General Mandate obtained, up to 10% of the total number of issued shares of the Company, pursuant to Section 85 of the Act read together with Clause 15 of the Constitution of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM in 2027.

This General Mandate, if approved, will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, to fund future investment project(s), working capital and/or acquisitions and to avoid any delay or costs involved in convening a general meeting for such issuance of shares.

(E) ORDINARY RESOLUTION 8

Proposed Shareholders' Mandate

This Ordinary Resolution, if passed, will authorise the Company and each of its subsidiaries to enter into RRPT of a revenue or trading nature set out in the Circular to Shareholders of the Company dated 26 February 2026, which are of a revenue nature and necessary for the Group's day-to-day operations. This would eliminate the need to make regular announcements to Bursa Securities or convene separate general meetings from time to time to seek shareholders' approval as and when RRPT arise, thereby reducing substantial administrative time and expenses in convening such meetings. This mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of the period within which the next AGM of the Company is required by law to be held, whichever is earlier.

Please refer to the Circular to Shareholders dated 26 February 2026 for further details.

STATEMENT ACCOMPANYING THE NOTICE OF AGM

There is no person seeking election as a Director of the Company at this Second (2nd) AGM.

Personal Data Privacy:

By submitting proxy form(s) appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

HARTANAH KENYALANG BERHAD
 Registration No. 202401034991 (1580838-V)
 (Incorporated in Malaysia)

No. of Shares Held	
CDS Account No.	

FORM OF PROXY

I/We, of being member/members of the abovenamed Company hereby appoint of or failing him, of or *the Chairperson of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 2nd Annual General Meeting of the Company to be held at Sheraton Kuching Hotel, No. 2, Jalan Padungan, 93100 Kuching, Sarawak, on Monday, 13th day of April 2026 at 9.00 a.m. and, at any adjournment thereof for/against* the resolutions to be proposed thereat.

Resolution No	Ordinary Business	FOR	AGAINST
Ordinary Resolution 1	Approval for payment of Directors' fees		
Ordinary Resolution 2	Approval for payment of Directors' meeting attendance allowance and any other benefits		
Ordinary Resolution 3	Re-election of Mr Seah Boon Kee as Director		
Ordinary Resolution 4	Re-election of Ms Chai Suk Phin as Director		
Ordinary Resolution 5	Re-election of Mr Cheok Liam Fock as Director		
Ordinary Resolution 6	Re-appoint Messrs. Crowe Malaysia PLT as Auditors for the ensuing year and to authorize the Board of Directors to fix their remuneration		
	Special Business		
Ordinary Resolution 7	Authority to issue and allot shares		
Ordinary Resolution 8	Proposed new shareholders' mandate for the recurrent related party transactions of a revenue or trading nature		

(Please indicate with an "X" or "✓" in the spaces provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

The proportions of my holdings to be presented by my *proxy/our proxies are as follows:

	Numbers of Shares	Percentage
First-Named Proxy A		%
Second Named Proxy B		%
Total		100%

In case of a vote taken by a show of hands, the First Proxy A/Second Proxy B shall vote on *my/our behalf.
 *Strike out whichever is not desired. (unless otherwise instructed the proxy may vote as he thinks fit)

Dated this day of 2026

 Signature of Member(s)/Common Seal



Notes:

1. To determine a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 65 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as at 7 April 2026. Only a depositor whose name appears on the General Meeting Record of Depositors as at 7 April 2026 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. A proxy may not be a member of the Company and a member may appoint any persons to be his/her proxy.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The Form of Proxy, in the case of an individual, shall be signed by the appointer or his/her attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorized.
6. The duly completed Form of Proxy must be deposited at the registered office of the Company at E289, 1st Floor, Block E iCom Square, Jalan Pending 93450 Kuching, Sarawak, not less than forty-eight (48) hours before the time appointed for this Second (2nd) AGM or any adjournment thereof.
7. *If the appointer is a corporation, this form must be executed under its seal or the hand of an officer or an attorney duly authorised.*

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AFFIX
STAMP

THE COMPANY SECRETARY

HARTANAH KENYALANG BERHAD
Registration No. 202401034991 (1580838-V)

E289 1st Floor
Block E iCom Square
Jalan Pending
93450 Kuching Sarawak

2nd Fold Here

Fold This Flap For Sealing



HARTANAH KENYALANG BERHAD

(REGISTRATION NO. 202401034991 (1580838-V))
(INCORPORATED IN MALAYSIA UNDER THE COMPANIES ACT 2016)