TBK & SONS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1960

2026 ANNUAL REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tan Hun Tiong *(Chairman)*
Mr. Tan Han Peng *(Chief executive officer)*
Mr. Tang Zhiming
Mr. Chen Da

Non-executive Director

Ms. Venny

Independent Non-executive Directors

Mr. Chu Hoe Tin
Mr. Ng Ying Kit
Mr. Wong Sze Lok

AUTHORISED REPRESENTATIVES

Mr. Tan Han Peng
Mr. Lam Wing Tai

AUDIT COMMITTEE

Mr. Chu Hoe Tin *(Chairman)*
Mr. Ng Ying Kit
Mr. Wong Sze Lok

REMUNERATION COMMITTEE

Mr. Ng Ying Kit *(Chairman)*
Mr. Tan Han Peng
Mr. Wong Sze Lok

NOMINATION COMMITTEE

Mr. Wong Sze Lok *(Chairman)*
Mr. Chu Hoe Tin
Ms. Venny

COMPANY SECRETARY

Mr. Lam Wing Tai

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

Lot 333, Kampung Paya
Batu 2 Jalan Seremban, Port Dickson
Negeri Sembilan, Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit A, 12/F
Eton Building
288 Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

Asian Alliance (HK) CPA Limited
(Certified Public Accountants and Registered Public Interest Entity Auditor)
8/F Catic Plaza,
8 Causeway Bay Road,
Causeway Bay, Hong Kong

CORPORATE INFORMATION

PRINCIPAL BANKER

CIMB Bank Berhad
1st Floor, Wisma DPMNS
Jalan Dato Bandar Tunggal
70000 Seremban
Negeri Sembilan
Malaysia

WEBSITE

www.tbkssb.com.my

STOCK CODE

1960

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of TBK & Sons Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), I am pleased to present the annual results of the Group for the year ended 30 June 2026 (the "**Financial Year**").

The global economy remained subdued amid a complex mix of structural and cyclical pressures. Heightened geopolitical tensions, renewed volatility in energy markets, persistent inflationary trends, and weak productivity growth continued to constrain global activity and contributed to a cautious and unpredictable operating environment. In addition, the PRC's prolonged property market weakness further weighed on domestic demand and overall economic momentum. These external and domestic headwinds collectively affected business sentiment and posed challenges to the Group's operations during the Financial Year. The Board expects the operating environment to remain challenging. It will continue to monitor macroeconomic developments closely and adjust its strategies as to safeguard business resilience, enahance performance, and maximize shareholder value.

The Group is principally engaged in civil and structural works in Malaysia and the PRC and trading of oil and related products in the PRC. During the Financial Year, the Group's revenue recorded a decrease by approximately RM22.0 million or 22.6% from approximately RM97.4 million for the year ended 30 June 2025 to approximately RM75.4 million for the Financial Year. The revenue generated from civil and structural works in Malaysia and the PRC, as well as the trading of oil and related products in the PRC contributed approximately 100.0% (2025: 99.6%) and Nil% (2025: 0.4%) respectively of the total revenue of the Group.

CIVIL AND STRUCTURAL WORKS IN MALAYSIA

Malaysia achieved a GDP growth of 4.7% in 2026, compared to 5.2% recorded in 2025 and remains within the earlier forecast of 4%-5%. The foreign reserve also increased from USD120.6bil in June 2025 to USD132.6bil in June 2026. The Malaysian Ringgit strengthened against US Dollar from approximately 4.23 in June 2025 to approximately 4.09 in June 2026.

Against a more gradually improving economic backdrop, the Group's civil and structural operations in Malaysia continued to demonstrate resilience, with its products, services, and customer base remaining relatively stable yet showing signs of downside during the Financial Year. The Group still encountered challenges in securing new projects due to rising costs and tightening profit margins. These conditions also created opportunities to refine its competitive approach and strengthen long-term positioning. The headwinds encountered namely (i) the slowdown and deferment of new project launches coupled with rising of essential material costs; (ii) increasingly unrealistic pricing expectations from certain project owners; and (iii) a continuous shortage of experienced professionals and skilled workers in project planning, budgeting, and control which intensified competition within the tendering landscape. With market share narrowing, the tendering environment has become noticeably more competitive. In response, the Group has adopted strategic pricing measures to preserve client relationships, sustain its market presence, and maximize resource efficiency. Overall, the revenue from civil and structural works in Malaysia decreased from approximately RM81.2 million for the year ended 30 June 2025 to approximately RM70.2 million for the Financial Year, whereas the gross profit decreased from approximately RM5.9 million for the year ended 30 June 2025 to approximately RM1.3 million for the Financial Year and the gross profit margin was approximately 1.8% and 7.3% for the years ended 30 June 2026 and 2025.

CHAIRMAN'S STATEMENT

CIVIL AND STRUCTURAL WORKS IN THE PRC

The economic landscape in the PRC showed little improvement, as the property market remained persistently weak despite modest growth in infrastructure driven construction activity. The Group's civil and structural operations in the PRC continued to face significant challenges, including fierce competition for contracts, extended payment terms, delays in progress certification, and customer payment delays. Projects undertaken in the PRC primarily involved construction, renovation, and labor provision for institutions such as colleges, the Sino-German Ecopark, the Economic and Trade Industrial Park, waterproofing works, and conference and exhibition centers. These initiatives, often commissioned by local government, were closely connected to social and community development but were subject to lengthy approval and settlement processes by project owners. In response, the Group has slowed negotiations for new projects to focus on completing those already in progress, and has prioritized efforts to collect trade receivables and contract assets to enhance liquidity and financial stability. The Group has as well strategically shifted its focus toward smaller-scale construction and renovation work projects to mitigate payment delays, as these projects typically require shorter completion timelines, resulting in faster progress certification of construction and renovation works. The Group continues to maintain proactive communication with customers, seeking improvements in both project timelines and payment processes, while closely monitoring ongoing business conditions.

The revenue from the civil and structural works in the PRC decreased from approximately RM15.8 million for the year ended 30 June 2025 to approximately RM5.2 million for the Financial Year, the gross profit increased from approximately RM0.1 million for the year ended 30 June 2025 to approximately RM0.2 million for the Financial Year and the gross profit margin was approximately 3.0% and 0.4% for the years ended 30 June 2026 and 2025.

TRADING OF OIL AND RELATED PRODUCTS IN THE PRC

The PRC market continued to experience subdued sentiment, largely driven by the downturn in the property sector and a reduction in infrastructure projects. Simultaneously, geopolitical conflicts caused fluctuations in crude oil prices to become more pronounced, making it difficult for the Group to fully pass increased supplier costs onto customers. In response to these challenging market conditions and the significant capital required for international oil trading and new business ventures, the Group adopted a cautious and prudent approach to operations, seeking to maintain stability during a period of heightened uncertainty.

During the Financial Year, the Group did not record any revenue from the trading of oil and related products in the PRC (2025: RM0.4 million). Consequently, no gross profit (2025: Nil) or gross profit margin (2025: Nil) was presented for this segment. The revenue recorded for the financial year ended 30 June 2025 represented transaction where the Group acted as an agent and recognized revenue on the net basis.

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately RM33.0 million for the Financial Year (2025: RM28.3 million). The deterioration of financial results for the Financial Year was mainly attributable to the combined effects of (i) lower gross profit of approximately RM4.9 million resulting from the Group's revenue decline for the Financial Year, (ii) an increase in net impairment losses under the expected credit loss model (the "**ECL**") on trade receivables, contract assets, other receivable and bank balances (net of reversals) from approximately RM17.4 million for the financial year ended 30 June 2025 to RM21.0 million for the Financial Year, (iii) impairment losses of property, plant and equipment and right-of-use assets of approximately RM1.0 million (2025: Nil), (iv) promissory notes interest of approximately RM5.6 million (2025: Nil) and (v) the recognition of a gain on disposal of land of approximately RM6.8 million.

CHAIRMAN'S STATEMENT

OUTLOOK

According to the World Bank's Global Economic Prospect Report for June 2026, the global growth is decelerating, marking one of the weakest five-year outlooks in decades, driven by persistent structural challenge, including sluggish productivity gains, escalated geopolitical uncertainties, elevated financing costs and heightened trade tensions.

The Group anticipates that the financial year 2026/2027 will present similar challenges to those experienced in the previous year. The ongoing effects of heightened trade tensions, persistent geopolitical uncertainties, and high interest rates continue to pose significant headwinds to the broader economy. In both Malaysia and the PRC, difficulties in securing new projects and sustained pressure on profit margins have compounded the uncertainty. Furthermore, the sluggish property market and slowdown in infrastructure projects in the PRC are expected to continue weighing on the business landscape, adding further complexity to the Group's operating environment.

In this regard, the Group has adopted a prudent and risk-conscious approach, actively seeking new projects to maintain its foothold in the industry while exploring opportunities across East and West Malaysia, Timor-Leste, Laos and the PRC. In addition, the Group will continue to explore and expand its customer base and source of supply to diversify the existing businesses. The Board will also regularly evaluate its existing operations and explores new business and investment opportunities to maximize the shareholder value.

APPRECIATION

On behalf of the Board, I would like to express my sincerest gratitude to our valued customers, business partners, subcontractors, suppliers, and shareholders of the Company for their support. I also express my appreciation to the management team and employees for their valuable contributions to the development of the Group.

Tan Hun Tiong
Chairman

Hong Kong, 29 September 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Civil and Structural works in Malaysia

The Group is a civil and structural works contractor undertaking civil and structural works in the oil and gas industry in Malaysia with operational history since the 1970s. The Group is registered with a Construction Industry Development Board of Malaysia (the "**CIDB**") Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical), which is the highest possible contractor licence under the CIDB and allows the Group to undertake civil and structural works of unlimited tender/contract value.

The Group's civil and structural works services generally involve (i) site preparation works such as earthwork, demolition works, and temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, etc.; (ii) civil works for process plants, involving reinforced concrete foundations, pipe supports, ponds, pits, underground and open drainage networks, paving work (including the use of gravel, concrete and asphalt) and related plant civil maintenance works; and (iii) building works (including the building of sub-station, field auxiliary rooms, workshop and storage buildings, etc.) in the oil and gas industry.

The following table sets forth the breakdown of the revenue by nature of works for the year ended 30 June 2026 and 2025:

	2026		2025	
	RM'000	**approximately %**	RM'000	approximately %
Site preparation works projects	**3,860**	**5.5**	600	0.7
Civil works projects	**65,569**	**93.5**	79,324	97.7
Building works projects	**722**	**1.0**	1,285	1.6
	70,151	**100.0**	81,209	100.0

Against a gradually improving economic backdrop in Malaysia, the Group's civil and structural operations in Malaysia continued to demonstrate resilience, with its products, services, and customer base remaining stable yet showing signs of downside during the financial year. During the Financial Year, the revenue from civil and structural works in Malaysia decreased by approximately 13.6% from approximately RM81.2 million for the year ended 30 June 2025 to approximately RM70.2 million for the Financial Year.

Site preparation works projects

Revenue from site preparation works projects increased from approximately RM0.6 million for the year ended 30 June 2025 to approximately RM3.9 million for the Financial Year. The increase in revenue was mainly attributable to the ongoing Project 66 (approximately RM3.4 million) which commenced during the Financial Year and offset by the decrease in revenue from Project 53 (approximately RM 0.1 million) which completed during the previous financial year.

Civil works projects

Revenue from civil works projects decreased from approximately RM79.3 million for the year ended 30 June 2025 to approximately RM65.6 million for the Financial Year, representing an decrease of approximately 17.3%.

The decrease in revenue was mainly attributable to 2 completed projects during the previous financial year i.e. Project 30 (approximately RM0.8 million), and Project 56 (approximately RM0.3 million); 5 completed projects during the Financial Year i.e. Project 54 (approximately RM2.4 million), Project 57 (approximately RM31.7 million), Project 58 (approximately RM0.5 million), Project 61 (approximately RM1.5 million), and Project 63 (approximately RM0.8) million), as well as the ongoing Project 60 (approximately RM8.8 million) and other civil works projects (approximately RM0.3 million), which commenced during the previous financial year.

The decrease was partially offset by the rise in revenue mainly from 3 projects which were completed during the Financial Year i.e. Project 64 (approximately RM1.4 million), Project 65 (approximately RM0.7 million), and Project 71 (approximately RM0.4 million); 4 ongoing projects which commenced during the Financial Year i.e. Project 67 (approximately RM9.1 million), Project 68 (approximately RM12.7 million), Project 69 (approximately RM1.9 million), and Project 70 (approximately RM1.7 million), as well as the ongoing Project 62 (approximately RM5.5 million), which commenced during the previous financial year.

Building works projects

Revenue from the building works projects decreased from approximately RM1.3 million for the year ended 30 June 2025 to approximately RM0.7 million for the Financial Year. The decrease in revenue was mainly attributable to the Project 59 (approximately RM0.9 million), which was completed during the previous financial year. The decrease was partially offset by the rise in revenue from other building work projects (approximately RM0.3 million) which were completed during the Financial Year. There was no new building works project during the Financial Year.

Projects on hand

As at 30 June 2026, the Group had 10 (2025: 7) material projects on hand in Malaysia (including projects that have commenced but not yet completed and projects that have been awarded to the Group but not yet commenced). A summary of the material projects on hand is set out below:

Project	Particulars and location	Type of works	Pengerang Integrated Petroleum Complex ("PIPC")/Non-PIPC projects	Commencement date	Expected Completion date
Project 60	A refinery in RAPID Pengerang	Civil works	PIPC	July 2024	September 2026
Project 62	An aeronautical factory in Nilai, Negeri Sembilan	Civil works	Non-PIPC	August 2024	September 2026
Project 66	A Site preparation work at power plant in Sg. Udang, Melaka	Site preparation	Non-PIPC	October 2025	September 2026
Project 67	A refinery at Pengerang	Civil works	PIPC	December 2025	April 2027
Project 68	A refinery at Pengerang	Civil works	PIPC	December 2025	March 2028
Project 69	A refinery at Pengerang	Civil works	PIPC	February 2026	February 2027
Project 70	A green data centre campus at Negeri Sembilan	Civil works	PIPC	May 2026	September 2026
Project 72	A waste to energy plant at Melaka	Civil works	PIPC	June 2026	December 2026
Project 73	A storage tank at Selangor	Civil works	PIPC	June 2026	August 2026
Project 74	A green data centre campus at Negeri Sembilan	Civil works	PIPC	June 2026	August 2026

Civil and Structural Works in the PRC

The Group acquired 75% equity interests of 青島鑫弘耀建設科技有限公司 (Qingdao Xinhongyao Construction Technology Company Limited*) ("**Xinhongyao Construction**") in April 2022, which was established in the PRC and it is currently carrying on business of construction and renovation works projects in the PRC. The scope of business of Xinhongyao Construction included design of construction projects; professional construction operations; residential interior decoration and renovation; general contracting of housing complex and municipal infrastructure projects and various types of engineering construction activities.

* *For identification purposes only*

Xinhongyao Construction has obtained the Qualification Certificate for Construction Enterprise (建築企業資質證書) for Grade II for Professional Contracting for Waterproofing, Corrosion and Heat Preservation Engineering and Grade I for Professional Contracting of Building Decoration and Engineering (防水防腐保溫工程專業承包貳級和建築裝修裝飾工程專業承包壹級), and the Construction Enterprise Safety Production License (建築施工企業安全生產許可證). All of the above-mentioned certificates and licenses are within the validity period. During the Financial Year, Xinhongyao has also obtained certifications for GB/T 19001-2016/ISO 9001:2015 (Quality Management System Certification 質量管理體系認證), GB/T 24001-2016/ISO14001:2015 (Environmental Management System Certification 環境管理體系認證), and GB/T 450012020/ISO 45001:2018 (Occupational Health and Safety Management System Certification 職業健康安全管理體系認證).

The Group's civil and structural operations in the PRC faced significant challenges, including fierce competition for contracts, extended payment terms, delays in progress certification, customer payment delays, and lower profit margins. Projects undertaken in the PRC primarily involved construction, renovation, and labor provision for institutions such as colleges, the Sino-German Ecopark, the Economic and Trade Industrial Park, waterproofing works, and conference and exhibition centers. These initiatives, often commissioned by local government, were closely connected to social and community development but were subject to lengthy approval and settlement processes by project owners. In response, the Group has slowed negotiations for new projects and focused on completing those already in progress, and has prioritized efforts to collect trade receivables and contract assets to enhance liquidity and financial stability. The Group has as well strategically shifted its focus toward smaller-scale construction and renovation work projects to mitigate payment delays, as these projects typically require shorter completion timelines, resulting in faster progress certification of construction and renovation works. The Group continues to maintain proactive communication with customers, seeking improvements in both project timelines and payment processes, while closely monitoring ongoing business conditions.

During the Financial Year, the revenue from the civil and structural works in the PRC decreased by approximately 66.9% from approximately RM15.8 million for the year ended 30 June 2025 to approximately RM5.2 million for the Financial Year.

The decrease in revenue was mainly attributable to the Project 19 (approximately RM2.4 million) which was substantially completed during the previous year, 3 projects i.e. Project 14 (approximately RM5.9 million), Project 15 (approximately RM0.5 million) and Project 22 (approximately RM2.8 million) which were completed during the Financial Year, 2 ongoing projects i.e. Project 8 (approximately RM1.4 million) and Project 20 (approximately RM0.9 million) which were commenced during the previous years, together with other civil and structural work projects (approximately RM0.4 million).

The decrease was partially offset by the increase in revenue for the substantially completed Project 24 (approximately RM0.3 million) which was commenced during the Financial Year, and the ongoing project 23 (approximately RM3.3 million) which was commenced in previous year, as well as other civil and structural work projects (approximately RM0.1 million).

Projects on hand

As at 30 June 2026, the Group had 5 (30 June 2025: 10) material projects on hand in the PRC (including projects that have commenced but not yet completed and projects that have been awarded to the Group but not yet commenced). A summary of the material projects on hand is set out below:

Project	Particular and location	Type of works	Commencement date	Expected completion date
Project 8	A college in Laiyang City, Shandong Province	Construction works	October 2022	September 2026
Project 10	A building in Licang district, Qingdao	Renovation works	January 2023	August 2026
Project 16	A college in Qingdao City West Coast New Area, Shandong Province	Construction works	March 2024	October 2026
Project 20	A building in Shinan District, Qingdao City	Construction works	November 2024	February 2027
Project 23	A building in Huangdao District, Qingdao City	Construction works	March 2025	October 2026

Trading of Oil and Related Products in the PRC

The PRC market continued to experience subdued sentiment, largely driven by the downturn in the property sector and a reduction in infrastructure projects. Simultaneously, geopolitical conflicts caused fluctuations in crude oil prices to become more pronounced, making it difficult for the Group to fully pass increased supplier costs onto customers. In response to these challenging market conditions and the significant capital required for international oil trading and new business ventures, the Group adopted a cautious and prudent approach to operations, seeking to maintain stability during a period of heightened uncertainty. As a result, the Group has not entered into any oil trading agency agreement during the Financial Year, and the revenue from the trading of oil and related products in the PRC recorded a significant decreased by 100.0% from approximately RM0.4 million for the year ended 30 June 2025 to approximately RM Nil for the Financial Year.

FINANCIAL REVIEW

Civil and Structural works in Malaysia

Against a more gradually improving economic backdrop, the Group's civil and structural operations in Malaysia continued to demonstrate resilience, with its products, services, and customer base remaining relatively stable yet showing signs of downside during the Financial Year. The Group still encountered challenges in securing new projects due to rising costs and tightening profit margins. With market share narrowing, the tendering environment has become noticeably more competitive. In response, the Group has adopted strategic pricing measures to preserve client relationships, sustain its market presence, and maximize resource efficiency.

Revenue

During the Financial Year, the revenue from civil and structural works in Malaysia decreased by approximately 13.6% from approximately RM81.2 million for the year ended 30 June 2025 to approximately RM70.2 million for the Financial Year.

Cost of sales

The Group's cost of sales from civil and structural works in Malaysia mainly comprises cost of direct materials, subcontracting charges, and direct labour. The following table sets out the breakdown of the Group's direct costs during the year ended 30 June 2026 and 2025:

	2026		2025	
	RM'000	**approximately %**	RM'000	approximately %
Direct materials	**16,219**	**23.6**	16,559	22.0
Subcontracting charges	**31,685**	**46.0**	35,237	46.8
Direct labour	**15,219**	**22.1**	16,090	21.4
Rental of machinery and equipment	**425**	**0.6**	1,041	1.3
Depreciation	**660**	**1.0**	814	1.1
Other costs	**4,647**	**6.7**	5,541	7.4
Total	**68,855**	**100.0**	75,282	100.0

The Group's cost of sales from civil and structural works in Malaysia during the Financial Year mainly comprised:

(a) direct materials, which mainly represent direct costs for the purchase of construction materials, such as sand, steel, concrete, wood and fuel, that are directly attributable to the project works;

(b) subcontracting charges, which represent fees and charges paid to or payable to subcontractors who provide civil works, site preparation works and/or building works at project sites;

(c) direct labour, which represents remuneration to employees directly attributable to the projects; and

(d) other costs, which include various miscellaneous expenses such as transportation fee, safety consultancy fee and insurance expenses for the Group's projects.

The Group's cost of sales from civil and structural works in Malaysia decreased from approximately RM75.3 million for the year ended 30 June 2025 to approximately RM68.9 million for the Financial Year, representing a decrease of approximately 8.5% which is in line with the decrease in revenue.

Consumption of direct materials and their costs may vary from project to project, as (i) the consumption of raw materials varies according to different types of works performed; and (ii) the cost of direct materials may be agreed to be borne by the Group or by its customers or subcontractors depending on the contract terms with different customers and subcontractors, resulting in fluctuations in the proportions of these costs from project to project.

Gross profit and gross profit margin

In line with the decrease in revenue, the Group's gross profit from civil and structural works in Malaysia decreased from approximately RM5.9 million for the year ended 30 June 2025 to approximately RM1.3 million for the Financial Year, representing a decrease of approximately 78.1%, while the Group's gross profit margin decreased from approximately 7.3% for the year ended 30 June 2025 to approximately 1.8% for the Financial Year.

Civil and Structural Works in the PRC

During the Financial Year, the Group's civil and structural operations in the PRC faced significant challenges, including fierce competition for contracts, extended payment terms, delays in progress certification, customer payment delays, and lower profit margins. Projects undertaken in the PRC primarily involved construction, renovation, and labor provision for institutions such as colleges, the Sino-German Ecopark, the Economic and Trade Industrial Park, waterproofing works, and conference and exhibition centers. These initiatives, often commissioned by local government, were closely connected to social and community development but were subject to lengthy approval and settlement processes by project owners. In response, the Group has slowed negotiations for new projects to focus on completing those already in progress, and has prioritized efforts to collect trade receivables and contract assets to enhance liquidity and financial stability. The Group has as well strategically shifted its focus toward smaller-scale construction and renovation work projects to mitigate payment delays, as these projects typically require shorter completion timelines, resulting in faster progress certification of construction and renovation works. The Group continues to maintain proactive communication with customers, seeking improvements in both project timelines and payment processes, while closely monitoring ongoing business conditions.

Revenue

The Group's revenue from civil and structural works in the PRC decreased by approximately 66.9% from approximately RM15.8 million for the year ended 30 June 2025 to approximately RM5.2 million for the Financial Year.

Cost of sales

The Group's cost of sales from civil and structural works in the PRC mainly comprises cost of direct materials, subcontracting fee, direct labour and other direct costs. In line with the decrease in revenue, the Group's cost of sales from civil and structural works in the PRC was approximately RM5.1 million (2025: RM15.8 million) during the Financial Year. The decrease was mainly attributable to the significant drop in revenue.

Gross profit and gross profit margin

The Group's gross profit from civil and structural works in the PRC was approximately RM0.2 million for the Financial Year (2025: RM0.1 million). With combined effects of revenue and cost of sales from civil and structural works in the PRC, the Group's gross profit margin from civil and structural works in the PRC was approximately 3.0% (2025: 0.4%).

Trading of Oil and Related Products in the PRC

The PRC market continued to experience subdued sentiment, largely driven by the downturn in the property sector and a reduction in infrastructure projects. Simultaneously, geopolitical conflicts caused fluctuations in crude oil prices to become more pronounced, making it difficult for the Group to fully pass increased supplier costs onto customers. In response to these challenging market conditions and the significant capital required for international oil trading and new business ventures, the Group adopted a cautious and prudent approach to operations, seeking to maintain stability during a period of heightened uncertainty.

Revenue

The Group's revenue from the trading of oil and related products in the PRC recorded a significant decrease by 100.0% from approximately RM0.4 million for the year ended 30 June 2025 to approximately RM Nil for the Financial Year.

Cost of sales, gross profit and gross profit margin

During the Financial Year, no cost of sales from the trading of oil and related products in the PRC (2025: Nil) was recorded, and no gross profit or gross profit margin was presented. During the year ended 30 June 2025, no gross profit and no gross profit margin were presented, as the Group acted as an agent and recognised revenue on the net basis.

Selling and distribution expenses

The Group's selling and distribution expenses mainly comprised salary and benefits of our sales and marketing staff, entertainment and promotional expenses as well as travelling expenses in the PRC. During the Financial Year, the selling and distribution expenses recorded approximately RM0.4 million (2025: RM0.4 million) remaining consistent with prior year's levels.

Administrative expenses

During the Financial Year, the Group's administrative expenses were approximately RM16.8 million (2025: approximately RM18.3 million). The decrease was mainly attributed to the decrease in professional services fee and other general office expenses. The administrative expenses of the Group primarily consist of short-term leases expenses, depreciation of property, plant and equipment and right-of-use assets, employee benefits expense and other expenses, in which the employee benefits expenses constituted the main component account for approximately 64.7% (2025: 57.7%) of administrative expenses.

Impairment loss on trade receivables, contract assets and other receivables

The Group had adopted the simplified approach to account for ECL as prescribed by IFRS9 *Financial Instruments*. Throughout the Financial Year, the Group consistently followed the same methodology for the statistical analysis and judgement for the ECL assessment. The Group also engaged an independent valuer to assess the key estimates, assumptions and calculations. In assessing the recoverability of the trade receivables, contract assets and other receivables, the management had performed a detailed analysis based on the independent valuation report, available customers' historical data, market conditions as well as forward-looking estimates at the reporting date. The ECLs amount is recognised as the impairment loss in the consolidated statement of profit or loss and other comprehensive income.

During the Financial Year, the Group recognised the net impairment loss on ECL on trade receivables, contract assets, other receivables and bank balances of approximately RM21.0 million (2025: RM17.4 million). As at 30 June 2026, the provision for impairment loss on trade receivables, contract assets and other receivables amounted to approximately RM58.7 million (2025: RM34.8 million), RM3.2 million (2025: RM6.4 million) and RM1.1 million (2025: RM0.6 million), respectively. The increase in ECL was primarily attributable to the customer payment delays, which directly impact the ECL calculation by reflecting the negative changes in credit risk associated with the outstanding trade receivables and contract assets as at 30 June 2026. The Group had gross trade receivables of approximately RM71.7 million as at 30 June 2026, of which approximately RM17.0 million were subsequently settled up to the date of this annual report. Further details of the credit risk and impairment assessment of ECL are set out in the Note 33(b) to the consolidated financial statements.

The Group actively monitors the status of its customers and conducts ongoing reviews of the business relationships. To recover overdue debts, the Group has established monitoring procedures and takes follow-up action where appropriate. The Group has been proactive in communicating with customers and seeking improvements in project timelines and payment processes. The Group has slowed down negotiations for new projects in the PRC to concentrate on completing existing projects on hand in the PRC and has focused on the collection process of trade receivables. The Group has maintained detailed records of communications with customers regarding overdue trade receivables and gathered feedback from customers to understand any issues that might be causing payment delays. At each reporting date, the Group assesses the recoverability of trade receivables, contract assets and other receivables to ensure that adequate impairment losses are made for irrecoverable amounts. As a result, the Directors consider the provision for impairment loss on trade receivables, contract assets and other receivables as at 30 June 2026 to be justifiable.

Impairment assessment of property, plant and equipment and right-of-use assets

At 30 June 2026, the civil and structural works projects segments in Malaysia collectively as Malaysia CGU, continued to underperform, the management of the Group concluded there was indication for impairment and conducted impairment assessment by determining the recoverable amounts of freehold land and freehold land and buildings included in property, plant and equipment and leasehold land and leasehold land and buildings included in right-of use assets.

The recoverable amount of the freehold land, freehold land and buildings, and certain leasehold land and leasehold land and buildings ("**Land and Buildings – non lease**"), which is not under the lease, have been determined based on its fair value less costs of disposal. The Group uses direct comparison approach to estimate the fair value less costs of disposal by assuming sale of the property in its existing status with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

As at 30 June 2026, based on the result of the assessment, management of the Group determined that the recoverable amounts of the freehold land, freehold land and buildings and Land and Buildings – non lease exceed their carrying amounts by approximately RM9.2 million. Accordingly, no impairment loss would be recognised against the carrying amounts of the freehold land and freehold land and buildings included in property, plant and equipment and Land and Buildings – non lease included in right-of-use assets.

The recoverable amount of other property, plant and equipment and remaining portion of leasehold land and leasehold land and buildings ("**Land and Buildings – lease**") has been determined with reference to a value in use calculation based on discounted cash flow approach. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering a 5-year period.

As at 30 June 2026, based on the result of the assessment, management of the Group determined that the recoverable amounts of other property, plant and equipment and Land and Buildings – lease were lower than the carrying amounts. Accordingly, impairment losses of approximately RM0.5 million and RM0.5 million were recognised on property, plant and equipment and Land and Buildings – lease included in right-of use assets respectively for the year ended 30 June 2026.

Finance costs

Finance costs represented interest on bank overdrafts, bank and other borrowings, promissory notes and lease liabilities. For the years ended 30 June 2026 and 2025, the Group recorded finance costs of approximately RM5.9 million and RM0.5 million, respectively. The increase was mainly attributable to interest on the promissory notes which were issued during the Financial Year.

Income Tax (Credit) Expense

The Group recorded an income tax credit of approximately RM6,000 for the Financial Year (2025: income tax expenses of RM447,000). The decrease was mainly due to no estimated assessment profit generated from the Group.

Loss and Loss per Share

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately RM33.0 million for the Financial Year (2025: RM28.3 million). The deterioration of financial results for the Financial Year was mainly attributable to (i) lower gross profit of approximately RM4.9 million resulting for the Group's revenue decline for the Financial Year, (ii) the increase in the net impairment on ECL on trade receivables, contract assets, other receivables, bank balances as well as property, plant and equipment and right-of-use assets of approximately RM4.6 million, (iii) promissory notes interest of approximately RM5.6 million and (iv) the recognition of a gain on disposal of land of approximately RM6.8 million. The loss per share for the Financial Year was approximately RM3.3 sen (2025: RM2.83 sen).

Key Financial Ratio

	Note	As at/for the year ended 30 June 2026	2025
Current ratio (times)	1	**1.6**	1.9
Quick ratio (times)	2	**1.6**	1.9
Gearing ratio (%)	3	**110.9**	5.5
Debt to equity (%)	4	**N/A**	N/A
Return on equity (%)	5	**(91.3)**	(41.8)
Return on total assets (%)	6	**(24.7)**	(21.3)
Interest coverage (times)	7	**(5.0)**	(64.4)

Notes:

1. Current ratio is total current assets divided by total current liabilities.
2. Quick ratio is total current assets less inventories divided by total current liabilities.
3. Gearing ratio is total debt (i.e. sum of lease liabilities, borrowings and promissory notes) divided by total equity and multiplied by 100%.
4. Debt to equity ratio is total debt (i.e. sum of lease liabilities, borrowings and promissory notes) less cash and cash equivalents divided by total equity and multiplied by 100%.
5. Return on equity is (loss) for the year divided by total equity and multiplied by 100%.
6. Return on total assets is (loss) for the year divided by total assets and multiplied by 100%.
7. Interest coverage is (loss) before interest and tax divided by finance costs.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2026,

a. the Company's issued capital was RM5.3 million (or HK$10.0 million equivalent) and the number of its issued ordinary Shares was 1,000,000,000 Shares of HK$0.01 each;

b. the Group had total pledged time deposits as well as cash and cash equivalents of approximately RM7.9 million (2025: RM6.8 million) and approximately RM73.6 million (2024: RM25.2 million), respectively, most of which were denominated in Hong Kong dollar (HK$), United States Dollar (USD), Malaysian Ringgit (RM) and Renminbi (RMB);

c. the Group had lease liabilities, bank and other borrowings and promissory notes of approximately RM0.7 million (2025: RM1.1 million), RM2.4 million (2025: RM3.0 million) and RM39.6 million (2025: Nil), respectively. All of the lease liabilities, bank borrowings and other borrowings and promissory notes were denominated in USD, RM and RMB; and

d. the Group's total equity attributable to owners of the Company was approximately RM46.9 million (2025: RM80.7 million). The capital of the Company mainly comprises share capital and reserves.

Treasury Policy

The Group has adopted a prudent treasury management policy to (i) ensure that the Group's funds are properly and efficiently collected and deployed such that there is no material shortfall in cash which may interrupt the Group's daily business obligations; (ii) maintain sufficient level of funds to settle the Group's capital commitment when they fall due; (iii) maintain adequate liquidity to cover the Group's operation cash flows, project expenditures and administrative expenses; and (iv) streamline the Group's operational processes to achieve savings in construction-related costs, maintenance and other operating costs. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Dividend

The Board does not recommend the payment of a final dividend for the Financial Year (2025: Nil).

Significant Investments, Material Acquisitions or Disposals of Subsidiaries and Associated Companies

Save as disclosed in this annual report, the Group has no significant investments, material acquisitions or disposals of subsidiaries and associated companies during the Financial Year.

Capital Commitments

As at 30 June 2026 and 2025, the Group had no significant capital commitments.

Discloseable Transaction – Disposal of Property

In April 2025, the Group has entered into a sale and purchase agreement with an independent third party to dispose of certain freehold lands in the state of Johor, Malaysia, for a total consideration of approximately RM11.5 million (equivalent to approximately HK$20.2 million). The freehold lands had been previously pledged to a Malaysian bank as security for the bank facilities granted to the Group, which was released for sale by such bank on the condition that RM1.0 million of the proceeds from the disposal would be pledged as security for the Group's banking facilities upon completion of the disposal. The disposal constituted a discloseable transaction under Chapter 14 of the Listing Rules. Due to inadvertent oversight of the management, the Group failed to report and announce the disposal. Hence, the disposal constituted non-compliance of Chapter 14 of the Listing Rules. Further information is available in the announcement dated 18 September 2025. To prevent similar non-compliance in the future, the Group has arranged and completed in-house training and the special internal control assessment on Chapter 14 of the Listing Rules, to ensure all relevant parties possess the practical knowledge to identify notifiable transactions and are well acquainted with the Group's workflow, procedures and policies. During the Financial Year, the disposal was completed and recognised a gain of approximately RM6.8 million, representing the total consideration of approximately RM11.5 million minus the carrying amount of the freehold lands of RM4.7 million.

Pledge of Assets

As at 30 June 2026, certain freehold land with net carrying amount of RMNil (2025: RM4.7 million), certain right-of-use assets of leasehold land and buildings with total net carrying amount of approximately RM1.6 million (2025: RM1.6 million), and time deposit of approximately RM7.9 million (2025: RM6.8 million) were pledged as securities for the bank facilities granted to the Group. As at 30 June 2026, the Group had promissory notes with an aggregate principal amount of USD9.5 million (equivalents to RM39.6 million), which are secured by a charge on the entire share capital of TBKS Holding Sdn. Bhd., an indirect wholly-owned subsidiary of the Company. Details of the promissory notes have been disclosed in the heading of "Issue of Promissory Notes".

Issue of Promissory Notes

On 8 July 2025, a direct wholly-owned subsidiary of the Company (the "**Issuer**") has entered into a promissory note agreement with an independent third party subscriber (the "**Subscriber**"). The Subscriber will subscribe for the promissory note(s) (the "**Note**") to be issued by the Issuer with an aggregate principal amount up to USD9.5 million. The Note is secured by a charge on the entire share capital of TBKS Holding Sdn. Bhd., an indirect wholly-owned subsidiary of the Company held through by the Issuer. Details of the Note have been disclosed in the Company's announcement dated 8 July 2025 and note 26 to the consolidated financial statements. The proceeds from the issuance of the Note would be used as general working capital of the operations of the Group in Malaysia and Hong Kong.

Future Plan for Material Investments and Capital Assets

Save as disclosed in this annual report, the Group does not have any concrete plan for material investments or capital assets for the coming year.

Contingent Liabilities

As at 30 June 2026, the Group had no significant contingent liabilities or outstanding litigation (2025: Nil).

Events after the Reporting Period

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2026 and up to the date of this annual report.

Pledge of Shares by the Controlling Shareholder

The Company had been notified that an aggregate of 600,000,000 Shares (the "**Pledged Shares**") held by TBK & Sons International Limited ("**TBKS International**") had been pledged on 28 September 2021 in favour of an independent third party (the "**Lender**") as a security for a loan facility of HK$180,000,000 provided by the Lender to TBKS International. The Pledged Shares represented 60% of the issued share capital of the Company as at the date of this annual report.

Principal Risks and Uncertainties

There are certain risks involved in the Group's business and operations. The Board has periodically reviewed the key risk areas and appropriate risk mitigation strategies. Overall, the Board considers the risk management and internal control systems of the Group are effective and adequate. The Board will continue to assess the effectiveness and adequacy of risk management and internal control systems. There was no material difference in the identified risks between the year and the prior year. The Directors believe that some of the major risks may have a material adverse effect on the Group.

The followings are the key risk and uncertainties identified by the Group relating to our business, including but not limited to (i) the Group is exposed to concentration risk of heavy reliance on its largest and top five customers; (ii) as the Group from time to time engages subcontractors in works, the Group may bear responsibilities for any non-performance, delayed performance, sub-standard performance or non-compliance of its subcontractors; (iii) failure to secure new projects through tender process may materially and adversely affect the Group's sustainability and financial performance; (iv) the Group's historical revenue and profit margin may not be indicative of its financial performance in the future; and (v) a significant portion of the Group's revenue from civil and structural works in Malaysia was generated from PIPC projects, any decrease or loss of business relationship or failure to secure new projects associated with PIPC may adversely affect the Group's operations and financial performance.

1. *The Group is exposed to concentration risk of heavy reliance on its largest and top five customers*

A significant portion of the Group's revenue was derived from a small number of customers during the past years. For the years ended 30 June 2025 and 2026, the revenue generated from the Group's top five customers accounted for approximately 81.6% and 73.4% of its total revenue respectively, while the revenue generated from the largest customer accounted for approximately 48.8% and 21.0% of the Group's total revenue for the same year respectively. The Group may continue to have a concentration of customers in the future.

There is no assurance that the financial position of the Group's major customers will remain healthy in the future and that the Group will be able to receive payments from such customers on time. Any deterioration in the businesses of the Group's major customers could lead to delay and/or default in their payments to the Group. If the Group's major customers fail to make timely payments to the Group, the Group's cash flows and financial position may be materially and adversely affected.

2. *As the Group from time to time engages subcontractors in works, the Group may bear responsibilities for any non-performance, delayed performance, sub-standard performance or non-compliance of its subcontractors*

As common in the civil and structural works industry, the Group engages subcontractors to undertake some of the project works. Subcontracting may expose the Group to risks associated with non-performance, delayed performance or sub-standard performance by the subcontractors, in the event of subcontracting works to subcontractors. The Group is ultimately responsible to the customers for the works completed by the subcontractors. As a result, the Group may experience deterioration in the quality or delivery of the works, incur additional costs due to managing and supervising subcontractors' performance and remedying the delays, defects or substandard materials, defective equipment, services or supplies caused by the subcontractors. The Group also has limited control over the availability of its subcontractors' labour force and may not be able to find suitable subcontractor in a timely manner. Such events could impact the profitability, financial performance and reputation, or result in litigation or damage claims of the Group.

If the subcontractors violate any laws, rules or regulations in relation to health, safety and environmental matters, the Group may expose itself as liable to prosecutions by relevant authorities, and may become liable to claims for losses and damages if such violations cause any personal injuries or death or damage to properties. In the event that there is any violation, whether substantial or minor in nature, of any laws, rules or regulations, occurred at sites for which the Group is responsible, the operations and hence the financial position of the Group may be adversely affected.

3. *Failure to secure new projects through tender process may materially and adversely affect the Group's sustainability and financial performance*

It is customary in the civil and structural works industry that civil and structural works projects are awarded to contractors on a project-by-project basis through a tender process where the tenders of all bidders will be considered and assessed by the project awarding company.

In line with the industry practice, the Group's projects are primarily secured through a tender process. The Group's ability to secure new projects from its existing or new customers is uncertain and is largely dependent on, among others, how favourable terms are compared to those offered by other contractors who have also submitted their tenders. Notwithstanding the Group's past relationship and work experience with its existing customers, the final outcome of each tender process is beyond the Group's control. There is also no guarantee that the Group's existing customers will award new projects to the Group.

The Group cannot assure that it will be able to secure future business from its existing customers, or that the Group will be able to develop business relationships with new customers. The Group may be unable to forecast the number of projects it may secure in the future. The Group's revenue may fluctuate from period to period depending on the actual volume of its business. If the Group fails to secure projects in the tender process, the Group's business, results of operations, sustainability and prospects would be materially and adversely affected.

4. *The Group's historical revenue and profit margin may not be indicative of its financial performance in the future*

The Group's future performance will depend on, among other things, its ability to secure new projects and control its costs and will be subject to the risks set out in this section. Therefore, the Group's historical performance does not have any positive implication or may not necessarily reflect the Group's financial performance in the future. In addition, the Group's profit margin may fluctuate from project to project due to a number of factors, such as quantity of work orders received from customers, the accuracy of the Group's estimate of costs when determining the tender price, the complexity, duration and size of the project, subcontracting charges and the pricing strategy. There is no guarantee that the Group will be able to command a similar level of gross profit margin in the future as some of the factors affecting the Group's profitability such as quantity of work orders received from customers are beyond the Group's control. Nor can the Group assure you that it will be able to secure sufficient projects of favourable size and quantity, maintain its current revenue and profit levels in the future or attain growth rates similar to those achieved by it during the past years.

Furthermore, the Group's future performance will also depend on its capacity to secure oil and related products while effectively managing costs. Given the inherent volatility of oil prices due to geopolitical tensions, supply-demand dynamics, and global economic conditions, there is no assurance that the Group will maintain the same level of revenue, gross profit and gross profit margin. Various factors mentioned may impact the Group's overall performance and profitability.

5. *A significant portion of the Group's revenue from civil and structural works in Malaysia was generated from PIPC projects, any decrease or loss of business relationship or failure to secure new projects associated with PIPC may adversely affect the Group's operations and financial performance*

The Group generated a significant portion of revenue from PIPC projects which are secured from a number of project owners and/or engineering, procurement, commissioning and contracting ("**EPCC**") contractors during the past years.

The Group does not enter into any long-term service agreement with project owners and/or EPCC contractors of PIPC projects and the Group's services are provided on a project-by-project basis. As such, there is no assurance that the project owners and/or EPCC contractors of PIPC projects will continue to retain the Group upon completion of the existing projects or that they will maintain the current level of business with the Group or engage the Group in the future. If there is a significant decrease in number of projects or size of projects in terms of contract value awarded by project owners and/or EPCC contractors of PIPC projects, and if the Group is unable to obtain sufficient projects with comparable size as replacement, the business, results of operations and financial condition of the Group may be materially and adversely affected.

Foreign Currency Risk

The Group operates mainly in Malaysia, fluctuations in the Malaysian ringgit's value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on the Group's business, financial condition and results of operations. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into USD, RMB or HK$, of the Group's net assets, earnings or any declared dividends. Consequently, this may adversely affect the Group's ability to pay dividends or satisfy other foreign exchange requirements.

The management will monitor foreign currency exposure of the Group and will consider undertaking foreign exchange hedging activities to reduce the impact of foreign exchange rate movements on the Group's operating results. The Group had not used any derivative financial instrument for the Financial Year.

Employees and Remuneration Policy

As at 30 June 2026, the Group had 427 (2025: 461) employees (including foreign labour). The Group's employees are invaluable assets of the Group and it is dedicated to managing human capital. The Directors believe that continuous staff training and development will not only improve the Group's staff's performance, but will also enhance loyalty and staff morale. For its new recruits, the Group offers induction training courses which cover practical and technical aspects of their works, together with its corporate culture and core value. Remuneration packages the Group offers to its staff includes basic salary, discretionary bonuses and allowance. For the Financial Year, the Group's employee cost, including Directors' emoluments, were approximately RM26.4 million (2025: RM26.7 million). The Directors review the performance of the Group's employees on a periodical basis in order to determine salary adjustment and promotions and keep the Group's remuneration package competitive.

Comparison of Business Objectives and Strategies with Actual Business Progress

As set out in the prospectus of the Company dated 16 September 2019 (the "**Prospectus**") and the announcement of the Company in relation to change in use of proceeds dated 31 January 2022 (the "**Announcement**"), the business objectives and strategies of the Group are (i) to reserve more capital to satisfy the Group's potential customers' requirement for performance bond; (ii) to expand the Group's workforce; (iii) to acquire machinery; (iv) to finance for the upfront expenditures of new projects; (v) to acquire business; (vi) to set aside for working capital purpose; (vii) to expand and develop of the trading of oil and related products (the "**Oil Trading Business**") and (viii) future investment opportunities in project(s) including but not limited to petrochemical, mineral resources, natural resources, financial investment and oil logistics.

An analysis comparing the future plans and use of proceeds contained in the Prospectus and the Announcement with the Group's actual business progress for the period from the Listing Date to 30 June 2026 (the "**Relevant Period**") is set out below:

i.	To reserve more capital to satisfy the Group's potential customers' requirement for performance bond	–	To purchase performance bond as required for any new project
ii.	To expand the Group's workforce	–	To carry out recruitment including project director, project manager, construction manager, project control manager, interface coordinator, quality assurance engineer environmental manager, quality control head, quality control site manager, health, safety, security and environment head, health, safety, security and environment site manager
		–	Additional staff costs for retaining the aforesaid additional staff
iii.	To acquire machinery	–	To acquire 2 cranes, 3 excavators, dumpers, low loader, 2 roller compactors, water truck, arm roll lorry, micro-bus, compressor, bar benders/cutters, towel lighting, generator
iv.	To finance for the upfront expenditures of new projects	–	To pay for the upfront costs of the Group's projects including startup costs such as subcontracting charges for work done by subcontractors, material costs and direct labour costs
v.	To acquire business	–	To acquire engineering contractors which have Bumiputera ownership
vi.	To set aside for working capital purpose	–	To set aside, together with internal resources of the Group, for general working capital purpose
vii.	To expand and develop of the Oil Trading Business	–	To develop northern PRC market of the Oil Trading Business
		–	To expand its customer base
		–	To secure a supply of higher quality oil products
viii.	Future investment opportunities	–	To pursue future investment opportunities in project(s) including but not limited to petrochemical, mineral resources, natural resources, financial investment and oil logistics

Use of Proceeds

The total net proceeds from the share offer received by the Company after deducting underwriting fees and other related listing expenses were approximately HK$85.0 million (equivalent to RM45.0 million) (the "**Net Proceeds**"). As at 30 June 2026, all of the Net Proceeds were fully utlised as intended. During the Relevant Period, the Net Proceeds have been applied as follows:

		Original allocation of the Net Proceeds disclosed in the Prospectus and the 2019 Annual Report HK$'million	Revised allocation of the Net Proceeds disclosed in the Announcement HK$'million	Utilised amount of the Net Proceeds up to 30 June 2025 HK$'million	Unutilised Net Proceeds brought forward from 30 June 2025 HK$'million	Utilised amount of Net Proceeds during the Financial Year HK$'million	Unutilised Net Proceeds as at 30 June 2026 HK$'million
i	To reserve more capital to satisfy the Group's potential customers' requirement for performance bond	8.9	(8.9)	–	–	–	–
ii	To expand the Group's workforce	13.4	(13.4)	–	–	–	–
iii	To acquire machinery	17.8	(17.8)	–	–	–	–
iv	To finance for the upfront expenditures of new projects	26.7	(14.8)	(11.9)	–	–	–
v	To acquire business	13.4	(13.4)	–	–	–	–
vi	To set aside for working capital purpose	4.8	24.1	(23.9)	5.0	(5.0)	–
vii	To expand and develop of the Oil Trading Business	–	40.0	(40.0)	–	–	–
viii	Future investment opportunities	–	4.2	(4.2)	–	–	–
		85.0	–	(80.0)	5.0	(5.0)	–

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Tan Hun Tiong ("**Mr. HT Tan**"), aged 70, joined the Group in September 1975. He was appointed as a Director on 8 November 2018 and re-designated as the chairman and an executive Director on 29 January 2019. Mr. HT Tan is also a director of certain subsidiaries of the Group. He is responsible for the overall management of the Group and overseeing and managing the projects of the Group including monitoring the works and progress of site developments as well as the site management and liaison with subcontractors in all site related matters.

Mr. HT Tan has accumulated over 50 years' experience in the civil construction industry since he joined the Group as project superintendent in 1975. He was appointed as a director of Tan Bock Kwee & Sons Sdn. Bhd. ("**TBK**") in July 1981 and Prestasi Senadi Sdn. Bhd. ("**Prestasi Senadi**") in December 1994 and finally promoted to be the project director of the Group in 1997. Mr. HT Tan is brother of Mr. HP Tan and father of Mr. Tan Yeong Li.

Mr. HT Tan completed his secondary education to form five in Malaysia in 1973. Mr. HT Tan was previously a director/ partner of the companies shown in the table below which were struck off, dissolved or expired due to cessation of business:

Name of company	Place of incorporation/ registration	Nature of business	Date of cessation of being a director/ partner	Status date	Status
D'lifestyle Design Sdn Bhd	Malaysia	Dormant	13 November 2018	13 November 2018	Dissolved
Rank Projects Sdn Bhd	Malaysia	Property development	18 August 2010	18 August 2010	Dissolved
Vibrant Returns Sdn Bhd	Malaysia	Trading of sand	14 October 2011	14 October 2011	Dissolved
Jelai Teguh Enterprise	Malaysia	General, electrical, mechanical, laboratory, furniture contractor	12 October 2007	12 October 2007	Expired

Mr. Tan Han Peng ("**Mr. HP Tan**"), aged 61, joined the Group in March 1996. He was appointed as a Director on 8 November 2018 and re-designated as an executive Director and the chief executive officer of the Company on 29 January 2019. Mr. HP Tan is also a member of the Remuneration Committee and a director of certain subsidiaries of the Group. He is mainly responsible for the overall strategic planning, management, operation and business development of the Group and oversees day-to-day aspects of its operations including finance, contracts and logistics operations and implements strategies that aim to achieve the Group's missions.

Mr. HP Tan has accumulated approximately 30 years' experience in the civil construction industry since he joined the Group as project manager in 1996. He was appointed as a director of TBK in April 1997 and Prestasi Senadi in June 1997 and promoted to be the managing director of the Group in April 1997. Prior to joining the Group, Mr. HP Tan worked as a programmer with Arthur Andersen Sdn. Bhd. from 1989 to 1990. From 1990 to 1992, he worked as a system analyst with Andersen Consulting Sdn. Bhd. Since 1992, he has run a housing development company in Malaysia.

Mr. HP Tan obtained a Bachelor of Science degree from the University of Wisconsin Green Bay, United States of America, in May 1988. Mr. HP Tan is brother of Mr. HT Tan.

Mr. HP Tan was previously a director/partner of the companies shown in the table below which were struck off, dissolved or expired due to cessation of business:

Name of company	Place of incorporation/ registration	Nature of business	Date of cessation of being a director/ partner	Status date	Status
Rank Projects Sdn Bhd	Malaysia	Property development	18 August 2010	18 August 2010	Dissolved
Vibrant Returns Sdn Bhd	Malaysia	Trading of sand	14 October 2011	14 October 2011	Dissolved
Wenzhou Jilong Tyre Sdn Bhd	Malaysia	Investment	26 December 2006	26 December 2006	Dissolved
Millennia Technologies Sdn Bhd	Malaysia	Dormant	23 October 2017	23 October 2017	Dissolved
Tanjung Kelana Sdn Bhd	Malaysia	Investment	26 December 2006	26 December 2006	Dissolved
Beauty Focus	Malaysia	Help center	12 June 2018	12 June 2018	Expired

Mr. Tang Zhiming ("**Mr. Tang**"), aged 53, was appointed as an executive Director on 4 February 2021. He is also a director of certain subsidiaries of the Group. Mr. Tang has over ten years of experience in the oil product trading business. He is also a director and general manager of Foundation International Resources Limited (匯基國際資源有限公司) since June 2011, where he is mainly responsible for non-ferrous metal mining and oil business in West Africa. Mr. Tang was a director and a general manager of Shenzhen Qianhai Xianglong Petrochemical Company Limited* (深圳前海祥龍石油化工有限公司) from December 2016 to May 2021, where he was mainly responsible for the trading of crude oil, diluted asphalt, refined oil and petroleum products. Mr. Tang worked as a director and general manager of Harvest Resources International Limited (利泰豐資源國際有限公司) from August 2011 to December 2016, where he was mainly responsible for mining investment and development business in West Africa. He worked as a general manager of Lian Zhou Shi Qing He Mineral Processing Company Limited* (連州市清和選礦有限公司) from August 2008 to May 2011, where he was mainly responsible for mining, processing and trading of iron ore, lead-zinc ore and other non-ferrous metal minerals.

Mr. Tang completed his secondary education at Guangdong Province Qingyuan Lianzhou City Xingjiang College* (廣東省清遠連州市星江中學), the PRC in 1991.

* *For identification purposes only*

Mr. Chen Da ("**Mr. Chen**"), aged 44, was appointed as an executive Director on 9 November 2021. He is also a director of certain subsidiaries of the Group. Mr. Chen has over fifteen years of experience in natural resource trading business. He has worked as the general manager of Global Engineering & Trading (HONG KONG) Limited since November 2019, where he is mainly responsible for operating and managing international trade and logistics business. Prior to that, he worked at Wu Kuang International Engineering & Technology Company Limited* (五礦國際工程技術有限公司) from November 2008 to October 2019, where he started off as the Project Manager and was gradually promoted to be the Deputy General Manager. While he worked as the Deputy General Manager, he was responsible for the management of international business activities of the company in countries other than China.

Mr. Chen completed his undergraduate studies at University of International Business and Economics in China in July 2005, majoring in international economics and trade. In addition, he took an International Business Program as an international exchange student at University of Victoria in Canada in 2004.

NON-EXECUTIVE DIRECTOR

Ms. Venny ("**Ms. Venny**"), aged 31, was appointed as a Director on 30 April 2025. She has been appointed as a member of the Nomination Committee with effect from 27 June 2025. Ms. Venny has over ten years of experience in management and business development.

Ms. Venny is a business development manager with Moh & Associates in Singapore since May 2022, where she is primarily responsible for introducing key relationships from Indonesia for projects and curating project ideas for investments in Indonesia. Ms. Venny was the president commissioner with PT Raharja Multi Konstruksi from October 2020 to April 2022, where her scope of work included overseeing the board of directors, developing and maintaining key stakeholder relationships with property developers in relation to engineering, procurement and construction contracts and maintaining the company's corporate governance and internal controls. Ms. Venny was an assistant to director and ownership representative with the Travello Hotel in Indonesia from June 2015 to December 2018, where she was responsible for establishing and maintaining key external and internal stakeholder relationships (including key suppliers, the general manager, heads of department and the chief accountant), ensuring company-wide adherence to standard operating procedures, approving final budgets and overseeing operations and providing guidance to the accounts department.

Ms. Venny obtained a Bachelor of Business Administration (Accounting) from the International University of La Rioja (UNIR) in 2016.

* *For identification purposes only*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Hoe Tin ("**Mr. Chu**"), aged 43, was appointed as an independent non-executive Director on 5 September 2019. Mr. Chu is also the chairman of the Audit Committee and a member of the Nomination Committee. He has over 19 years of professional experience in accounting, audit, taxation and company secretarial work. Currently, Mr. Chu is appointed as the group financial controller and company secretary of China Cultural Tourism and Agriculture Group Limited, a company listed on the Stock Exchange (stock code: 0542), since 15 February 2025. Mr. Chu served as the company secretary of SRE Group Limited, a company listed on the Stock Exchange (stock code: 1207), from 1 July 2019 to 14 February 2025.

Mr. Chu is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Hong Kong Chartered Governance Institute. Mr. Chu graduated with a Bachelor of Arts (Hons) in Accounting from Napier University, United Kingdom in January 2007 and obtained the degree of Master of Corporate Governance by The Open University of Hong Kong (currently known as Hong Kong Metropolitan University) in November 2018.

Mr. Ng Ying Kit ("**Mr. Ng**"), aged 48, was appointed as an independent non-executive Director, chairman of the Remuneration Committee and a member of the Audit Committee with effect from 27 October 2020. Mr. Ng has more than 20 years of experience in corporate finance and investment banking and has considerable experience in mergers and acquisitions, debt and equity financing and corporate strategic planning. He held senior management position in a Hong Kong listed company overseeing the corporate finance function.

He is currently an executive director of Grand Ocean Advanced Resources Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 65) since February 2015 where he is mainly responsible for the business development and corporate finance function. Mr. Ng graduated from the University of Hong Kong with a Bachelor's degree in Electrical and Electronic Engineering.

Mr. Wong Sze Lok ("**Mr. Wong**"), aged 53, was appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee on 4 February 2021. Mr. Wong has extensive experience in auditing and corporate governance. He currently holds the position of principal of Infinity CPA Limited. Mr. Wong is currently an independent non-executive director of Aowei Holding Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 1370), since 8 April 2021 and Cocoon Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 428), since 23 April 2021.Mr. Wong is currently an independent director of Professional Diversity Network Inc., a company listed on the NASDAQ (Nasdaq: IPDN), since 2 October 2025. Mr. Wong was appointed as the chief financial officer of Century Entertainment International Holdings Limited (formerly known as Amax International Holdings Limited), a company listed on the Main Board of the Stock Exchange (Stock code: 959), from 2012 to 2019, was appointed as the company secretary of Unitas Holdings Limited, a company listed on GEM of the Stock Exchange (Stock code: 8020), from August 2018 to April 2024, was appointed as alternate director of Values Cultural Investment Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 1740), from 27 May 2025 to 30 May 2025, and was appointed as an independent non-executive director of Grand Field Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 115), from 12 July 2018 to 23 July 2021, ETHK Labs Inc. (formerly known as IVD Medical Holding Limited), a company listed on the Main Board of the Stock Exchange (Stock code: 1931), from 28 March 2024 to 13 January 2026 and China e-Wallet Payment Group Limited, a company whose shares were formerly listed on the Main Board of the Stock Exchange (Stock code: 802), from 29 February 2024 to 16 March 2026.

Mr. Wong obtained a bachelor of arts degree in accountancy from The Hong Kong Polytechnic University in November 1996, a master of management degree from Macquarie University in November 2004, a certificate of higher education in Law from the University of Essex in December 2021 and an executive doctoral degree of business administration from Sabi University in December 2024. Mr. Wong is currently a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Institute of Chartered Accountants in England and Wales and a Certified Information Systems Auditor.

SENIOR MANAGEMENT

Mr. Low Yik Son, aged 49, is the head of contract, tender and procurement of the Group. Mr. Low began his career when he joined the Group as a surveyor and site supervisor in 1998 and has since accumulated approximately 27 years of experience in the construction industry. He rose through the ranks and was promoted as assistant project manager in 2004 and later promoted as head of contract, tender and procurement in 2017. Mr. Low currently oversees all aspects of the operations of the contract, tender and procurement division including cost estimation, budget calculation and negotiation of contracts. Mr. Low is responsible for managing the Group's day-to-day purchasing activities in order to lower the costs of doing business and briefing contracts and technical information to employees.

Mr. Low obtained a Certificate in Technology (Architecture) from Tunku Abdul Rahman College in May 1997.

Mr. Tan Yeong Li, aged 42, is the head of logistics and fixed assets of the Group. He joined the Group as site supervisor in 2004 and has since accumulated approximately 21 years of experience in the construction industry. He was promoted as project coordinator in 2008 and was subsequently promoted as head of logistics and fixed assets in October 2018. Mr. Tan currently oversees equipment and logistic arrangements to various projects and coordinates with and provide supports to project teams. Mr. Tan is son of Mr. HT Tan.

Mr. Tan obtained a Bachelor of Business (Information Systems) degree from Swinburne University of Technology, Australia in July 2007.

Mr. Surendran Tanchontuan, aged 42, is a Head of Projects/Project Manager of the Group. He joined the Group in 2004 as a Safety and Site Supervisor and brings over 21 years of hands-on experience in the construction industry. Demonstrating strong leadership and technical capability, he was promoted to Site Manager in 2008 and subsequently appointed to his current role as Project Manager in 2017.

In his present capacity, Mr. Surendran Tanchontuan oversees site operations, leads workforce management, and develops effective workaround strategies to mitigate project delays. He is instrumental in training site personnel and subcontractors while enforcing rigorous health and safety standards. Throughout his tenure, he has consistently delivered projects safely, efficiently, and within budget constraints.

Mr. Tanchontuan holds a Diploma in Civil Engineering from Port Dickson Polytechnic, Ministry of Higher Education, Malaysia (2006), and earned his Master of Business Administration (MBA) in 2022.

Mr. Lam Tze Chung, aged 54, joined the Group in September 2019 as finance manager of the Group and was subsequently promoted as the chief financial officer of the Group in April 2022. Mr. Lam has over 22 years of working experience in the accounting, financial management and several listed companies in Hong Kong.

Mr. Lam obtained a degree of Bachelor of Arts in Accountancy in 2008 from The Hong Kong Polytechnic University and a degree of Master of Science in Finance in 2013 from City University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants.

COMPANY SECRETARY

Mr. Lam Wing Tai, aged 60, was appointed as the company secretary on 24 January 2019. He has been the company secretary of Astrum Financial Holdings Limited, a company listed on GEM of the Stock Exchange (Stock code: 8333), since December 2021. Mr. Lam was the company secretary of Linocraft Holdings Limited, a company listed on GEM of the Stock Exchange (Stock code: 8383), from April 2017 to September 2024. From 1992 to 2016, he worked in various firms in different industries as accountant, financial controller, director and company secretary and carried on his own business ventures and investments between 2001 and 2011.

Mr. Lam was admitted as a certified practicing accountant of the Certified Practicing Accountants Australia in May 1995 and a certified public accountant of the Hong Kong Institute of Certified Public Accountants in January 1996. He studied accounting at the Australian National University and obtained a bachelor degree in commerce in 1991. He is a nonpractising member of the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

The Board recognises the importance of good corporate governance in management and internal procedures to achieve effective accountability. The Company has adopted the principles and the code provisions of the Corporate Governance Code (the "**CG code**") as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The Board is responsible for establishing the Company's purpose, values and strategy as well as maintaining good corporate governance, which provides the framework within which the Board forms their decisions and build their businesses. The Board focuses on creating long-term sustainable growth for Shareholders and delivering long-term values to all stakeholders. The Board believes that an effective corporate governance structure allows the Company to better understand, evaluate and manage risks and opportunities (including environmental, social and governance (the "**ESG**") risks and opportunities).

Maintaining a lawful, ethical and responsible manner is one of the core values of the Company. All Directors would act with integrity, lead by example, and promote the desired culture. Such culture instils and continually reinforces across the corporate values. The Board closely monitors the implementation of corporate governance practice, risk management and internal control systems to ensure the corporate value and the Company's culture remain aligned.

To the best of the knowledge of the Board, the Company has complied with the applicable CG code during the Financial Year. The Board will periodically review on the Company's corporate governance functions and will continuously improve the Company's corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "**Model Code**") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with the Directors, all the Directors have confirmed that they have complied with the requirements of the Model Code throughout the Financial Year.

BOARD OF DIRECTORS

Responsibilities

The Board is primarily responsible for overseeing and supervising the management of business affairs and the overall performance of the Group. The Board sets the Group's mission and standards and ensures that the requisite financial and human resources are in place for the Group to achieve its objectives.

In accordance with the requirements of the Listing Rules, the Company has established three Board committees, namely, an audit committee (the "**Audit Committee**"), a remuneration committee (the "**Remuneration Committee**") and a nomination committee (the "**Nomination Committee**"), with specific written terms of reference which are published on the respective websites of the Stock Exchange and the Company.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties of the Company, including:

(a) to establish the Company's purpose, values and strategy and satisfy itself that these and the Company's culture are aligned;

(b) to develop and review the Company's policies and practices on corporate governance;

(c) to review and monitor the training and continuous professional development of directors and senior management;

(d) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(e) to review and monitor the Company's risk management policies and standards, internal control system and the ESG policies and guidelines and the compliance thereof;

(f) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the members of the Group;

(g) to monitor the Company's Audit Committee, Remuneration Committee and Nomination Committee (or such other Board committee from time to time established) to ensure that each has duly discharged its respective duties and obligations in accordance with their respective terms of reference, the Listing Rules, and any applicable laws and regulations; and

(h) to review the Company's compliance with the CG code and disclosure in the Company's Corporate Governance Report and the ESG Report as required under the Listing Rules.

The Board may from time to time delegate certain functions to the senior management of the Group if and when considered appropriate. The management of day-to-day operations of the Group's businesses and the implementation of the business plans, strategies and policies adopted by the Board have been delegated to the senior management of the Group. The delegation of authority includes responsibility for:

(a) developing and formulating business plans, budgets, strategies, business and financial objectives of the Company for consideration by the Board, and to the extent approved by the Board, implementing these plans, budgets, strategies and objectives;

(b) operating the Company's businesses within the parameters set by the Board from time to time, and keeping the Board informed of material developments of the Company's businesses;

(c) where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the relevant Board Committee or the Board for its consideration and approval;

(d) identifying and managing operation and other risks, and where those risks could have a material impact on the Company's businesses, formulating strategies for managing these risks for consideration by the Board;

(e) ensuring that the Board is provided with sufficient information and explanation on a timely basis in regard to the Company's businesses, and in particular with respect to the Company's performance, financial condition, operating results and prospects, to position the Board to fulfill its governance responsibilities and to enable it to make an informed assessment for matters including financial information put before the Board for approval;

(f) providing the Board with monthly updates giving a balanced and understandable assessment of the Company's performance under the Listing Rules;

(g) implementing the policies, processes, CG code and Model Code approved by the Board; and

(h) implementing policies, processes and procedures for the management and development of the Company's employees.

The Directors have full access to information of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

BOARD DIVERSITY POLICY

The Group has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Group's business growth. Pursuant to the Board Diversity Policy, selection of candidates will be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, age, professional qualifications, industry experience etc.) will be disclosed in the Corporate Governance Report annually.

The Nomination Committee is responsible for ensuring the diversity of the Board and reviewing the Board Diversity Policy from time to time to ensure its continued effectiveness. Additionally, the Group will disclose the implementation of the Board Diversity Policy in the Corporate Governance Report on an annual basis.

As at the date of this report, the Board comprises four executive Directors, one non-executive Director, and three independent non-executive Directors. The Board has a diversity of perspectives appropriate to the requirements of the Company's business. The Board comprises a range of expertise, including civil construction, oil product and natural resource trading, corporate finance and investment banking, as well as audit and corporate governance. The mix of the skills and background of the Directors are appropriate, taking into account the business nature, business and corporate strategy of the Company.

BOARD SKILLS MATRIX

Name of Directors	Executive leadership and strategy	Industry knowledge and experience	Accounting, banking & finance	Risk management and compliance
Mr. Tan Hun Tiong	✓	✓		✓
Mr. Tan Han Peng	✓	✓		✓
Mr. Tang Zhiming	✓	✓		✓
Mr. Chen Da	✓	✓		✓
Ms. Venny	✓	✓		✓
Mr. Chu Hoe Tin	✓		✓	✓
Mr. Ng Ying Kit	✓		✓	✓
Mr. Wong Sze Lok	✓		✓	✓

The Board considers that its current Board composition is diversified with appropriate balanced professional background, skill, experience, gender and age. While the Board has a domination of male composition, the Company has one female Director achieving a female representation in the Board.

The Board recognises the importance of having continuity in the management of the Company, and leaders with appropriate skills and experience to support the delivery of the Group's strategic priorities. Succession planning is a regular Board agenda item and is considered by the Board annually.

As at 30 June 2026, the gender ratio of (i) the Group's Directors and senior management were approximately 92.3% male and 7.7% female respectively; and (ii) the Group's workforce (excluding Directors and senior management) was 93.0% male and 7.0% female. The Group's hiring is merit-based and non-discriminatory. More details on the Group's diversity are set out in the ESG Report 2026. The Board is satisfied that the Company has achieved gender diversity in its workforce.

The Board has reviewed the implementation of the Board Diversity Policy during the Financial Year to ensure its continued effectiveness. The following measurable objectives were established and reviewed:

- At least one-third of the members of the Board shall be Independent Non-executive Directors;
- At least one of the members of the Board shall possess accounting, banking & finance qualifications and/or experience;
- Members of the Board shall possess knowledge or experience relating to the business operations and regulatory environment of the Group; and
- At least one director of a different gender shall serve on the Nomination Committee and no single-gender Board is permitted.

Following the review, the Board considered the Board Diversity Policy to be effective and adequate.

NOMINATION POLICY

The Group has adopted a nomination policy (the "**Nomination Policy**") which outlines the nomination procedures, processes, and criteria adopted by the Nomination Committee for the selection and recommendation of candidates for directorship. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee shall ensure the Board maintains a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The selection criteria listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate, including but not limited to, character and integrity; qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy; accomplishment and experience in the business from time to time conducted, engaged in or invested in by any member of the Group; commitment in respect of available time and relevant interest; requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules; Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and such other perspectives appropriate to the Company's business. These factors are for reference only and are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Nomination Procedures

For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation. The Board shall have the ultimate responsibility for selection and appointment of Directors.

The Nomination Committee shall, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the selection criteria to determine whether such candidate is qualified for directorship.

If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

For any person that is nominated by a shareholder for election as a director at the general meeting of the Company pursuant to its constitutional documents, the Nomination Committee shall evaluate such candidate based on the selection criteria to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to Shareholders in respect of the proposed election of the director at the general meeting.

The Nomination Committee shall review the overall contribution and service to the Company of the retiring director including his/her attendance at Board meetings and, where applicable, general meetings, as well as the level of participation and performance on the Board and shall also review and determine whether the retiring director continues to meet the selection criteria.

Composition

The Company is committed to the view that the Board should include a balanced composition of executive and nonexecutive Directors (including independent non-executive Directors (the "**INED(s)**")) so that there is an independent element on the Board, which can effectively exercise independent judgement, and that non-executive Directors should be of sufficient caliber and number for their views to carry weight.

During the Financial Year and up to the date of this annual report, the Board comprises the following Directors:

	Date of appointment	**Length of tenure [1] (approximately)**	**Current period of appointment [2]**
Executive Directors			
Mr. Tan Hun Tiong *(Chairman)*	8 November 2018	7 years and 11 months	20 December 2024 (re-elected) to 2027 AGM
Mr. Tan Han Peng *(Chief executive officer)*	8 November 2018	7 years and 11 months	19 December 2025 (re-elected) to 2028 AGM
Mr. Tang Zhiming	4 February 2021	5 years and 8 months	20 December 2024 (re-elected) to 2027 AGM
Mr. Chen Da	9 November 2021	4 years and 10 months	20 December 2024 (re-elected) to 2027 AGM
Non-executive Director			
Ms. Venny	30 April 2025	1 year and 5 months	19 December 2025 (re-elected) to 2028 AGM
Independent non-executive Directors			
Mr. Chu Hoe Tin	5 September 2019	7 years and 1 month	19 December 2025 (re-elected) to 2028 AGM
Mr. Ng Ying Kit	27 October 2020	5 years and 11 months	19 December 2025 (re-elected) to 2028 AGM
Mr. Wong Sze Lok	4 February 2021	5 years and 8 months	15 December 2023 (re-elected) to 2026 AGM

Notes:

(1) representing the number of complete years from the date of initial appointment as the Director up to the date of this annual report.

(2) referring to the term of appointment under the Director's letter of appointment, and subject to retirement by rotation at the annual general meeting (the "**AGM**") at least once every three years in accordance with the Articles of Association of the Company.

The biographical details of each of the Directors are set out in the section headed "Directors and Senior Management" of this annual report.

Save as disclosed, there was no financial, business, family or other material/relevant relationship among the Directors.

The INEDs have brought in a wide range of business and financial expertise, experience, and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

The Company has appointed three INEDs, representing more than one-third of the Board members, which has exceeded the requirements of the Listing Rules that the number of INEDs must represent at least one-third of the Board, and has met the requirement that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written confirmations from each of the INEDs in respect of their independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all INEDs are independent.

Mechanism regarding independent views to the Board

The Company recognises that Board independence is critical to good corporate governance and board effectiveness. The Board is committed to assessing this on an ongoing basis with regard to all relevant factors concerned and not just limited to where the Director whose length of service exceeds nine years. The Board has in place effective mechanisms to ensure independent views and input are available to the Board. The following mechanisms have been established by the Board and the implementation and effectiveness of such mechanisms will be reviewed annually. The Board considers that such mechanisms have been implemented properly and effectively.

1. *Composition of Board*

   The Board comprises eight Directors, including four executive Directors, one non-executive Director and three INEDs. The Company has appointed three INEDs, representing more than one-third of the Board members, which has exceeded the requirements of the Listing Rules that the number of INEDs must represent at least one-third of the Board members, and has met the requirement that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise. INEDs will also be appointed to Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

2. *Independence Assessment*

The Nomination Committee, a majority of which is comprised of INEDs, assesses the suitability and independence of potential candidates to be appointed as INEDs and reviews annually the independence of all INEDs by reference to the independent criteria as set out in the Listing Rules to ensure they can continually exercise independent judgement.

3. *Compensation*

All INEDs receive fixed directors' fees for their role as members of the Board. No equity-based remuneration (e.g. share options or grants) with performance-related elements will be granted to the INEDs as this may lead to bias in their decision-making and compromise their objectivity and independence.

4. *Board Decision Making*

The Directors (including INEDs) are entitled to seek further information and documentation from the management on the matters to be discussed at Board meetings. They can also seek independent professional advice in appropriate circumstances at the Company's expense. Any Directors (including INEDs) and their close associates (as defined in the Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and are not counted in the quorum of the meetings.

5. *Board Evaluation*

The Board assesses and reviews the time contributed by every INED and their attendance at meetings of the Board and the Board committees so as to ensure that every INED has devoted sufficient time and made contributions to the Company that are commensurate with their role and Board responsibilities.

Proper insurance coverage in respect of legal action against the Directors' liability has been arranged by the Company.

CONTINUING PROFESSIONAL DEVELOPMENT

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant. Every newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Directors' responsibilities and obligations under the Listing Rules and relevant statutory requirements. In accordance with Listing Rule, all Directors must participate in continuous professional development in each financial year to develop and refresh their knowledge and skills. The Company is responsible for arranging and funding suitable training, focusing on the roles, functions, responsibilities of the Board, corporate governance and ESG matters, risk management and internal controls, as well as updates on industry-specific developments, business trends and strategies relevant to the Group.

During the Financial Year, the Company arranged training briefings, seminars, and provided self-study materials covering mandatory regulatory updates. Consequently, all Directors fulfilled their continuous professional development. The training records and activities of each Director are summarized below:

	Types of continuous professional development (Note)	
	Attending external training seminars/ briefings	**Reading materials**
Executive Directors		
Mr. Tan Hun Tiong	A(i), B(i)	C(ii)
Mr. Tan Han Peng	A(i), B(i)	C(ii)
Mr. Tang Zhiming	A(i)	B(ii), C(ii)
Mr. Chen Da		A(ii), B(ii), C(ii)
Non-executive Director		
Mr. Venny	A(i), B(i)	(C)(ii)
Independent non-executive Directors		
Mr. Chu Hoe Tin	A(i), B(i), C(i), D	
Mr. Ng Ying Kit	A(i), C(i), D	B(ii)
Mr. Wong Sze Lok	A(i), C(i), D	B(ii)

Note:

A(i) Attended briefing with external ESG consultants and reviewed the ESG briefing report regarding the relevant regulatory update;

A(ii) Reading the ESG briefing report regarding the relevant regulatory updates;

B(i) Attended a one-hour external training seminar provided by lawyer regarding the notifiable and connected transaction;

B(ii) Reading the external training seminar material provided by lawyer regarding the notifiable and connected transaction;

C(i) Attended meeting with external consultant regarding the internal control and enterprise risk assessment of the Group and reviewed the relevant reports;

C(ii) Reading the Group's internal control and enterprise risk assessment reports prepared by external consultant; and

D Attended briefing with the Company's auditors regarding the new and amended accounting standards.

MEETINGS OF BOARD AND DIRECTORS' ATTENDANCE RECORDS

The Board shall meet regularly at least 4 times a year with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice is given in a reasonable time in advance. The Directors are allowed to include any other matters in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at the Board meetings and to make informed decisions, an agenda and the accompanying Board papers together with all appropriate and relevant information in relation to the matters of the meetings are sent to all Directors at least 3 business days before the intended date of each regular Board Meeting and 3 business days or such other period as agreed before each other Board meeting. All Directors should have access to the advice and services of the company secretary of the Company (the "**Company Secretary**") with a view to ensuring that Board procedures and all applicable rules and regulations are followed. The Company Secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for their comments and records within a reasonable time after each meeting and the final version is open for the Directors' inspection. According to the Listing Rules, any Directors and their close associates (as defined in the Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and are not counted in the quorum of the meetings.

During the Financial Year, the Board held 4 meetings, at which the Directors discussed and approved, amongst other matters, (i) discloseable transaction in relation to disposal of property; (ii) the Group's audited financial statements, the director's report and the independent auditor's report for the year ended 30 June 2025, the ESG report 2025 and the interim results for the six months ended 31 December 2025; and (iii) the overall strategic direction and objectives of the business and other significant matter of the Group.

The attendance of each Director at the Board meetings during the Financial Year is as follows:

Name of Directors	Board Meetings Attended/Eligible to Attend
Executive Directors	
Mr. Tan Hun Tiong *(Chairman)*	4/4
Mr. Tan Han Peng *(Chief executive officer)*	4/4
Mr. Tang Zhiming	4/4
Mr. Chen Da	0/4
Non-executive Director	
Ms. Venny	4/4
Independent Non-executive Directors	
Mr. Chu Hoe Tin	4/4
Mr. Ng Ying Kit	4/4
Mr. Wong Sze Lok	4/4

Apart from the Board meetings, the Chairman held a meeting with the INEDs without the presence of the executive Directors during the Financial Year.

The annual general meeting (the "**AGM**") of the Company for the financial year ended 30 June 2025 was held on 19 December 2025. The attendance of each Director at the AGM during the Financial Year is as follows:

Name of Directors	AGM Attended/ Eligible to Attend
Executive Directors	
Mr. Tan Hun Tiong *(Chairman)*	1/1
Mr. Tan Han Peng *(Chief executive officer)*	1/1
Mr. Tang Zhiming	1/1
Mr. Chen Da	0/1
Non-executive Director	
Ms. Venny	1/1
Independent Non-executive Directors	
Mr. Chu Hoe Tin	1/1
Mr. Ng Ying Kit	1/1
Mr. Wong Sze Lok	1/1

CHAIRMAN AND CHIEF EXECUTIVE

According to the CG Code, the roles of the chairman and the chief executive should be separate and performed by different individuals to ensure a balance of power and authority so that power is not concentrated in any one individual. Mr. Tan Hun Tiong, the executive Director, is the Chairman and is responsible for the leadership of the Board while Mr. Tan Han Peng, the executive Director, is the chief executive officer (the "**CEO**") and is responsible for managing the Group's business and overall operations.

NON-EXECUTIVE DIRECTORS

The non-executive Director, Ms. Venny, entered into a letter of appointment with the Company for an initial term of one year commencing from 30 April 2025. The INED, Mr. Chu Hoe Tin, entered into a letter of appointment with the Company on 5 September 2019 for an initial term of one year commencing from the Listing Date. The other INEDs, Mr. Ng Ying Kit and Mr. Wong Sze Lok, entered into letters of appointment with the Company on 27 October 2020 and 4 February 2021, respectively, each for an initial term of one year commencing from their respective dates of appointment. All of these appointments shall continue thereafter unless terminated by either party giving at least one month's written notice.

In accordance with the Company's articles of association (the "**Articles**"), all Directors are subject to retirement by rotation and re-election at annual general meetings.

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties. The written terms of reference for Board committees are posted on the respective websites of the Stock Exchange and the Company.

Audit Committee

The Audit Committee was established on 5 September 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three INEDs, namely Mr. Chu Hoe Tin, Mr. Ng Ying Kit and Mr. Wong Sze Lok. The chairman of the Audit Committee is Mr. Chu Hoe Tin.

The role of the Audit Committee includes reviewing and monitoring the Group's external auditor's independence and objectivity and the effectiveness of the audit process, monitoring the integrity of the Group's financial information and reviewing significant financial reporting judgements and overseeing the Group's financial reporting system and risk management and internal control systems.

During the Financial Year, the Audit Committee held 2 meetings, at which the Audit Committee reviewed and discussed, amongst other matters, (i) the Group's consolidated results for the year ended 30 June 2025 and the interim results for the six months ended 31 December 2025; (ii) the effectiveness of the Group's internal control and risk management systems and the Group's internal audit function and made recommendations to the Board for consideration of the same; and (iii) the re-appointment of Asian Alliance (HK) CPA Limited as the Company's external independent auditor.

The attendance of each member at the Audit Committee meetings ("**AC Meetings**") during the Financial Year is as follows:

Name of Directors	AC Meetings Attended/Eligible to Attend
Mr. Chu Hoe Tin	2/2
Mr. Ng Ying Kit	2/2
Mr. Wong Sze Lok	2/2

Remuneration Committee

The Remuneration Committee was established on 5 September 2019 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG code. The Remuneration Committee comprises three Directors, namely Mr. Ng Ying Kit, Mr. Tan Han Peng, and Mr. Wong Sze Lok. The chairman of the Remuneration Committee is Mr. Ng Ying Kit.

The role of the Remuneration Committee includes making recommendations to the Board on the Group's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing the Group's remuneration policy, reviewing and approving management's remuneration proposals, determining or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, making recommendations to the Board on the remuneration of Directors, reviewing and approving compensation payable to executive Directors and senior management for loss of office, reviewing and approving compensation arrangements relating to the dismissal or removal of Directors, ensuring that no Director or his/her associate is involved in deciding their own remuneration, and reviewing and/or approving matters relating to share schemes of the Company.

During the Financial Year, the Remuneration Committee held 1 meeting, at which the Remuneration Committee reviewed and discussed, amongst other matters, (i) the remuneration package of all Directors and making recommendations to the Board and (ii) the terms of reference of Remuneration Committee. Details of the Director's remuneration policy and Share Option Scheme are set out in the report of the Directors and the details of remuneration paid to the Directors and members of senior management by band for the Financial Year are disclosed in the Notes 10 and 11 to the consolidated financial statements. Since there was no share option granted under the Share Option Scheme during the Financial Year, no material matter relating to the Share Option Scheme was reviewed by the Remuneration Committee pursuant to Chapter 17 of the Listing Rules.

The attendance of each member at the Remuneration Committee meetings ("**RC Meetings**") during the Financial Year is as follows:

Name of Directors	RC Meetings Attended/Eligible to Attend
Mr. Ng Ying Kit	1/1
Mr. Tan Han Peng	1/1
Mr. Wong Sze Lok	1/1

Nomination Committee

The Nomination Committee was established on 5 September 2019 with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the CG code. The Nomination Committee comprises three Directors, namely Mr. Wong Sze Lok, Mr. Chu Hoe Tin and Ms. Venny. The chairman of the Nomination Committee is Mr. Wong Sze Lok. The Nomination Committee includes one Director of a different gender to support board diversity, and it continues to maintain a majority of independent non-executive Directors.

The role of the Nomination Committee includes conducting an annual review of the structure, size and composition of the Board and making recommendations on any proposed changes to the Board, identifying suitably qualified individuals to become Board members and making recommendations to the Board on the selection of individuals nominated for Board membership with due regard to the Nomination Policy and Board Diversity Policy, assessing the independence of the INEDs and making recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors.

The Nomination Committee has conducted an annual assessment of each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his/her responsibilities effectively, taking into account professional qualifications and work experience, existing directorships held in other listed public companies and any other significant external appointments. Having reviewed the Board structure, the Nomination Policy, the Board Diversity Policy and each Director's time commitment and contribution for the Financial Year, the Nomination Committee was satisfied that each Director (excluding Mr. Chen Da, who was unable to attend meetings) had devoted sufficient time and effort to the Group's affairs, discharged his/her duties and responsibilities and made an effective contribution to the Board during the Financial Year. The Board is undertaking a review of its composition as a reasonable step to ensure the Board's ongoing effectiveness.

During the Financial Year, the Nomination Committee held 1 meeting, at which the Nomination Committee reviewed and discussed, amongst other matters, (i) the board structure, the Nomination Policy, the Board Diversity Policy and terms of reference of Nomination Committee; (ii) the independence of the INEDs; and (iii) made recommendations to the Board regarding the re-appointment of all the retiring Directors at the AGM.

The attendance of each member at the Nomination Committee meetings ("**NC meetings**") during the Financial Year is as follows:

Name of Directors	NC Meetings Attended/Eligible to Attend
Mr. Wong Sze Lok	1/1
Mr. Chu Hoe Tin	1/1
Ms. Venny	1/1

AUDITOR'S REMUNERATION

For the Financial Year, Asian Alliance (HK) CPA Limited was engaged as the Group's independent auditors. The remuneration paid or payable to the auditor and it's affiliated company for the Financial Year is set out below:

Category of services	Amounts RM'000
Audit services-Annual audit	408
Non-audit services-Agreed-upon procedures on interim results	46
Non-audit services-Tax compliance service	21

ACCOUNTABILITY AND AUDIT

The Board is committed to providing a balanced, clear and comprehensive assessment of the Group's performance, position and prospects in its annual and interim reports, and other financial disclosures required by the Listing Rules. The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group which give a true and fair view of the state of affairs of the Group and the Group's results and cash flows for the Financial Year and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

The Management will provide the Board with monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. In addition, Asian Alliance (HK) CPA Limited has stated in the independent auditor's report its reporting responsibilities on the Group's consolidated financial statements for the Financial Year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirmed that the Group's risk management and internal control systems are appropriate and effective for the purposes set out in Principle D2 of the Corporate Governance Code.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company's risk management and internal control systems have been developed with the following features and processes:

(a) The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

Risk Identification: Identify risks that may potentially affect the Group's business and operations.

Risk Assessment: Assess the risks identified by using the assessment criteria developed by the management; and considers the impact and consequence on the business and the likelihood of their occurrence.

Risk Response: Prioritise the risks by comparing the results of the risk assessment; and determine the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting: Perform ongoing and periodic monitoring of the risk and ensure that appropriate internal control processes are in place; revise the risk management strategies and internal control processes in case of any significant change of situation; and report the results of risk monitoring to the management and the Board regularly.

(b) The main features of the risk management and internal control systems are summarised as follows:

Control procedures have been designed to safeguard assets against misappropriation and disposition; ensure compliance with relevant laws, rules and regulations; ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; ensure that unauthorized access and use of inside information are strictly prohibited; and to provide reasonable assurance against material misstatement, loss or fraud.

The Group does not specifically have an internal audit department but engages an independent internal control consultant to conduct internal control review. Such review is conducted annually and cycles reviewed are under rotation basis. During the Financial Year, the Company engaged an external independent internal audit consultant to conduct a review of the effectiveness of the risk management and internal control systems of certain major subsidiaries the Group. Management has reported findings and areas for improvement to the Audit Committee and the Board. The Audit Committee and the Board are of the view that there are no material internal control defects noted. All recommendations suggested would be properly followed up to ensure that they are implemented within a reasonable period of time. The Audit Committee and the Board therefore considered that the Group's risk management and internal control systems are effective and adequate. There were no significant changes during the Financial Year in (i) the Group's assessment of risk (including ESG risk) and (ii) the risk management and internal control system. The Board also is satisfied that there are adequate resources with appropriate qualifications and experience in its accounting and financial reporting team and that sufficient training and budget have been provided.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has established and maintained the procedures and internal controls for the handling and dissemination inside information. The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group strictly prohibits the unauthorized use of confidential or inside information or any use of such information for the advantage of himself or others. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the Listing Rules will be announced on the respective websites of the Stock Exchange and the Company in due course.

WHISTLEBLOWING POLICY

The Company has adopted the whistleblowing policy (the "**Whistleblowing Policy**"). The mechanism of the Whistleblowing Policy applies to any suspected improprieties involving employees as well as consultants, vendors, contractors, suppliers, customers and/or any other parties with a business relationship with the Group. This mechanism is designed to enable employees and third parties dealing with the Group to express their concerns and to disclose information which the whistle-blower believes to be an indicator of malpractice or impropriety.

If an employee or a third party dealing with the Group becomes aware of any actual or suspected fraud, malpractice, misconduct, impropriety or irregularity, he/she is encouraged to report such incident(s) directly to any member of the Audit Committee, who will investigate the case and determine an appropriate course of action in response (including but not limited to referring the case to the Board and/or the management of the Company).

The Group will do its utmost to protect the whistle-blower's identity. However, there may be instances in the investigation process which require the identity of the whistle-blower to be made known (e.g. when the source of the information or a witness is required).

ANTI-CORRUPTION POLICY

The Company has adopted the anti-corruption policy (the "**Anti-corruption Policy**"). The Group believes in fairness and honesty in business dealings. Without the prior consent of the Company, no employee and/or their family member(s) should accept, from any person, firm, company or organisation which has dealings with the Group, either directly or indirectly, any commission, rebate, spotter's fee, gratuity, loan, gift or favour, monetary or otherwise, nor should any Group employee ask for or solicit any such benefits from such person, firm, company or organisation in any manner.

Acceptance of or solicitation for any such benefit(s) could be a criminal offence under the relevant local anti-bribery laws.

It will be reported to the authority. It will also result in disciplinary action by the Group. Employees should exercise good judgement and shall report business courtesies to the Audit Committee and/or the Board. Any exceptional case or pre-approval may be made by the Company on a case-by-case basis.

COMPANY SECRETARY

Mr. Lam Wing Tai ("**Mr. Lam**") was appointed as the Company Secretary on 24 January 2019, whose biographical details are set out in the section headed "Directors and Senior Management" in this annual report. Mr. Lam has confirmed that he had attained no less than 15 hours of relevant professional training as required by Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to require an extraordinary general meeting (the "EGM") (including making proposals/moving a resolution at the EGM) to be called by the Board

In accordance with Article 58 of the Articles, any one or more Member(s) (including a recognised clearing house (or its nominee(s))) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis in the share capital of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition and the foregoing Member(s) shall be able to add resolutions to the meeting agenda; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisition must state clearly the name of the requisitionist(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM, the agenda of the EGM including the details of the business(es) proposed to be transacted at the EGM, signed by the requisitionist(s) concerned.

As regards proposing a person for election as a Director, please refer to the "Procedures for Shareholders to propose a person for election as a director of the Company" which is posted on the Company's website.

Procedures for Shareholders to send enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong.

COMMUNICATION WITH THE SHAREHOLDERS

The Company is committed to providing Shareholders and other stakeholders (including potential investors) with balanced and understandable information about the Company. The Company has established the shareholders' communication policy (the "**Communication Policy**") and the Board will review the Communication Policy on a regular basis to ensure its effectiveness.

The aims of the Communication Policies are: to promote effective communication with the Shareholders and other stakeholders; encourage the Shareholders to engage actively with the Company; and enable the Shareholders to exercise their rights as shareholders effectively.

As a channel to promote effective communication, the Company maintains a website which offers a communication platform between the Company and the Shareholders and other stakeholders. Any information or documents of the Company posted on the Stock Exchange's website (www.hkexnews.hk) will also be published on the Company's website (www.tbkssb.com.my) under the "Investor Relations" section in a timely and consistent manner as required by the Listing Rules.

The Company recognises the importance of Shareholders' privacy and will not disclose Shareholders' information without their consent, unless required by law to do so.

Information will be communicated to the Shareholders through convening the annual general meeting or general meeting, publication of (a) directors' report and annual accounts together with a copy of the auditor's report and where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; (f) a proxy form; and (g) other regulatory disclosures.

During the Financial Year, the Company published its interim and annual results, interim and annual report, ESG report, notice of AGM and AGM circular, in a timely manner. The AGM was held on 19 December 2025, provided opportunities for the Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board Committees also attended the AGM to answer Shareholders' questions.

The Company reviewed the implementation and effectiveness of the Communication Policy and considered it to be effective for the Financial Year.

CONSTITUTIONAL DOCUMENTS

During the Financial Year, there has been no change in the Memorandum and Articles of Association of the Company.

DIVIDEND POLICY

The Group has adopted a general annual dividend policy of declaring and paying dividends on an annual basis of approximately 10% of the Company's distributable profit for any particular financial year.

Declaration of dividends is subject to the discretion of the Directors, depending on the Group's results of operations, working capital, cash position, future operations, and capital requirements, as well as any other factors which the Directors may consider relevant. As the payment of dividends is at the discretion of the Directors, there is no assurance that any particular dividend amount or any dividend at all, will be distributed. Such discretion is subject to the applicable laws and regulations including the Companies Law and the Articles which also require the approval of the Shareholders. Historical dividend payments are not indicative of the Company's payment of any future dividends.

The Board decided not to declare any dividend for the Financial Year after considering, among other factors, the financial performance, financial position and future operational and funding requirements. It is confirmed that all dividend decisions made by the Board were made in accordance with the dividend policy.

REPORT OF THE DIRECTORS

The Board is pleased to present their report together with the audited consolidated financial statements of the Group for the Financial Year.

PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The Group is principally engaged in civil and structural works in Malaysia and the PRC and trading of oil and related products in the PRC. The principal activities of the Company's principal subsidiaries are set forth in Note 35 to the consolidated financial statements.

BUSINESS REVIEW AND ANALYSIS OF KEY FINANCIAL PERFORMANCE INDICATORS

The business review and analysis of key financial performance indicators of the Group for the Financial Year are set out in the section headed "Management Discussion and Analysis" of this annual report.

FINANCIAL RESULTS AND FINANCIAL POSITION

The results of the Group for the Financial Year and the financial position of the Group and the Company as at 30 June 2026 are set forth in the consolidated financial statements on pages 68 to 71 and 131 of this annual report, respectively.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Financial Year (2025: Nil).

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five years, as extracted from the audited consolidated financial statements of the Company is set out on page 153 of this annual report. This summary does not form part of the consolidated financial statements for the Financial Year.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in plant and equipment of the Group during the Financial Year are set out in Note 14 to the consolidated financial statements.

PROPERTIES

The Group did not hold any major property for development and/or sale or for investment purposes as at 30 June 2026.

SHARE CAPITAL

Details of the Company's share capital are set out in Note 28 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

RESERVES

Details of movements in the reserves of the Company and of the Group during the Financial Year are set out in Note 31 to the consolidated financial statements and in the consolidated statement of changes in equity set out on pages 72 to 73 of this annual report, respectively.

DISTRIBUTABLE RESERVES

At 30 June 2026, the Company's distributable reserves to the owners of the Company (comprising share premium, contributed surplus and accumulated losses) amounted to approximately RM15.5 million.

SHARE OPTION SCHEME

Pursuant to the written resolutions of all the Shareholders passed on 5 September 2019, the Company adopted the Share Option Scheme. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to enable the Board to grant options to employees, any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contributes to the development and growth of the Group or any invested entity (the "**Eligible Persons**") as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Group.

Subject to the provisions in the Share Option Scheme, the Directors may grant options at any time and from time to time within a period of 10 years commencing from the date of adoption of the Share Option Scheme at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK$1.00 to the Eligible Persons. An offer of grant of an option may be accepted by an Eligible Person within 21 days inclusive of the date on which it is made. The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.

The total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 100,000,000 Shares, being 10% of the total number of Shares in issue (the "**Scheme Limit**") unless approved by its Shareholders pursuant to paragraph below. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company shall not be counted for the purpose of calculating the Scheme Limit.

The Company may seek separate approval of the Shareholders in general meeting for refreshing the Scheme Limit provided that such limit as refreshed shall not exceed 10% of the total number of Shares (assuming no options are granted under the Share Option Scheme) in issue as at the date of the approval of the Shareholders on the refreshment of the Scheme Limit. Options previously granted under the Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme of the Company or exercised) will not be counted for the purpose of calculating the limit as refreshed.

No option shall be granted to any Eligible Person if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including such further grant would exceed 1% of the total number of Shares in issue from time to time (the "**Participant Limit**"), unless such grant has been duly approved by resolution of the Shareholders in general meeting at which the Eligible Person and his close associates shall abstain from voting.

Any grant of options to any Director, chief executive, or substantial Shareholder (excluding the proposed Director or chief executive) of the Company or any of their respective associates shall be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is any offeree of an option) and shall comply with the relevant provisions of Chapter 17 of the Listing Rules.

Share options granted to substantial Shareholders or independent non-executive Directors or any of their respective associates in any 12-month period in excess of 0.1% of the Company's issued share capital on the date of grant and with a value in excess of HK$5 million must be approved in advance by the Shareholders.

The exercise price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as determined by the Board, and shall at least be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day on which the Board passes a resolution approving the making of an offer of grant of an option to an Eligible Person; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant.

The Share Option Scheme is valid and effective for a period of 10 years and will expire at the close of business on 4 September 2029. Subject to the rules of the Share Option Scheme, option may be exercised in whole or in part by the grantee at any time before the expiry of the period to be determined and notified by the Board to the grantee which in any event shall not be longer than 10 years commencing on the date of the offer letter and expiring on the last day of such 10-year period.

On 12 May 2021, a total of 10,000,000 share options (the "**Share Option(s)**") were granted to 2 Eligible Persons and each Share Option shall entitle the holder of the Share Option to subscribe for one Share upon exercise of such Share Option at an exercise price of HK$0.35 per Share. Subject to the terms of the Share Option Scheme, the Share Options shall be exercisable at any time during the period from 12 May 2021 to 11 May 2026 (both dates inclusive). The closing price of the Shares on the date of the grant of the Share Options was HK$0.34 per Share and the closing price of the Shares immediately before the date of the grant of the Share Options was HK$0.345 per Share. None of the Grantees is the Director, chief executive or substantial Shareholder of the Company or any of their respective associates (as defined under the Listing Rules) as at the date of grant. Apart from that, no options were granted, exercised, cancelled or lapsed in accordance with the terms of the Share Option Scheme. Details of the above grant of the Share Options were set out in the Company's announcement dated 12 May 2021.

As at 30 June 2026, the total number of securities available for issue under the Share Option Scheme was 90,000,000, representing 9% of the entire issued share capital of the Company. Movements of Share Options during the Period are as below:

Name and category of participant	Date of grant	Exercise price HK$	Outstanding at 1 July 2025	Granted during the Financial Year	Exercised during the Financial Year	Cancelled/ Lapsed during the Financial Year	Outstanding at 30 June 2026	Validity period of the Share Options
Employees	12 May 2021	0.35	10,000,000	0	0	10,000,000	0	12 May 2021 to 11 May 2026
Total:			**10,000,000**	**0**	**0**	**10,000,000**	**0**	

Save as disclosed above, there were no Share Options granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme during the years ended 30 June 2025 and 2026 and no equity-settled share-based payment expense was recognised during the years ended 30 June 2025 and 2026.

The fair value of Share Options granted on 12 May 2021 was recognised in full for the year ended 30 June 2021. The estimate of the fair value of the Share Options granted was measured based on Binomial model. The variables and assumptions used in computing the fair value of the Share Options are based on the valuer's best estimate. Changes in variables and assumptions may result in changes in fair value of the Share Options.

All the options forfeited before expiry of the options will be treated as lapsed options under the Share Option Scheme.

Further details of the Share Options Scheme are set out in Note 30 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as the Share Option Scheme, the Company did not have equity-linked agreements that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares during the Financial Year or subsisted at the end of the Financial Year.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the Financial Year.

MAJOR CUSTOMERS AND SUPPLIERS

During the Financial Year, the five largest customers of the Group accounted for about 73.4% of the Group's total revenue and the largest customer accounted for about 21.0% of the total revenue.

During the Financial Year, the five largest suppliers of the Group accounted for about 41.2% of the Group's cost of sales and the largest supplier accounted for about 16.4% of the cost of sales.

Based on the information publicly available to the Company and to the best knowledge of the Directors, none of the Directors, their respective close associates (as defined in the Listing Rules) or any Shareholders (which to the best knowledge of the Directors, own more than 5% of the Shares) had any beneficial interest in any of the Group's five largest customers or suppliers referred to above.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Related party transactions of the Group during the Financial Year are disclosed in Note 37 to the consolidated financial statements.

During the Financial Year, there were no connected transactions or continuing connected transactions of the Company as defined under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent Shareholders' approval requirements under the Listing Rules.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is aware of and is committed to its corporate responsibility to the society. In order to meet the Group's customers' requirement on different health, safety and environmental aspects, an effective control on quality assurance measures is maintained during daily operations. A group of project management team, which includes a project manager, construction manager and quality manager, is comprised to monitor the quality of each construction project. In addition, a full implementation on health, safety and environmental management system has facilitated the Group to prevent potential industrial accidents and ensure a safe workplace is provided for workers. The Group ensures that environmental compliance and protection measures are properly implemented for its projects.

Besides its own corporate responsibility, the Group is principally required to comply with the laws and regulations in relation to environmental protection, including the Environmental Quality Act 1974 of Malaysia, Environmental Quality (Clean Air) Regulations 1978 of Malaysia, the Environmental Quality (Sewage and Industrial Effluents) Regulations 1979 of Malaysia, the Air Pollution Control Ordinance of Hong Kong, the Waste Disposal Ordinance of Hong Kong, the Environmental Protection Law of the PRC, and the Prevention and Control of Atmospheric Pollution of the PRC. Given the Group's substantial experience in the industry and its established operation workflow which includes preliminary site visits by its staff to determine possible environmental compliance issues, the Group has been able to address such environmental compliance issues. The Group commenced the trading of oil and related products in the PRC and civil and structural works in the PRC which have relatively short operation history and small environmental footprint. The Group will continue to monitor the environmental impact of the PRC operations.

To the best knowledge of the Directors, the Group was in compliance with applicable environmental laws and regulations in all material respects during the Financial Year.

For details on the environmental policies and performance, please refer to the ESG Report 2026 which was published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tbkssb.com.my), respectively.

Shareholders and other stakeholders can access and download the ESG Report 2026 from the Company's website under the "Investor Relations" section and simply click the "ESG Report 2026".

PERMITTED INDEMNITY PROVISIONS

The Articles provides that the Directors, Secretary and other officers and every Auditor for the time being of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group and its activities are subject to requirements under various laws in Malaysia, Cayman Islands, Hong Kong and the PRC and all applicable regulations, guidelines, policies and licence terms issued or promulgated under or in connection with these statutes. In addition, the Listing Rules also apply to the Company. The Company seeks to ensure compliance with these requirements through various measures such as internal controls and approval procedures, training and oversight of various business units with the designated resources at different levels of the Group.

The Group has established compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing responsibility to monitor adherence and compliance with all significant legal and regulatory requirements. Save as disclosed below, as at the date of this report, the Group is not aware of any material non-compliance with the relevant laws and regulations that have significant impact on the business of the Group.

As disclosed in the Company's announcement dated 18 September 2025, the Group entered into a sale and purchase agreement on 24 April 2025 with an independent third party to dispose of certain freehold lands in the state of Johor, Malaysia, for a total consideration of approximately RM11.5 million (equivalent to approximately HK$20.2 million) (the "**Disposal**").

The Disposal was completed on 25 August 2025 and all consideration was paid by the Purchaser to the Vendor in accordance with the Agreement. The Disposal constituted a discloseable transaction under Chapter 14 of the Listing Rules. Due to inadvertent oversight of the management, the Company failed to report and announce the Disposal in a timely manner, which constituted non-compliance of Chapter 14 of the Listing Rules. The Company acknowledges its unintentional non-compliance with the Listing Rules was an oversight and reiterates its belief that continuing compliance with the Listing Rules and other applicable regulatory requirements is of utmost importance. Going forward, responsible officers shall obtain necessary approval and/or consent prior to entering into any agreement that would constitute notifiable and/or connected transaction for the Company.

The Company takes the incident seriously. In order to prevent the occurrence of similar non-compliance incident in the future and to comply with the requirements under the Listing Rules on an on-going basis, the Company will (i) enhance regular training on regulatory compliance matters relating to notifiable transactions and connected transactions for responsible staff, including Directors, to ensure that they comprehend the requirements of the Listing Rules; and (ii) review its internal control and compliance system on an annual basis to identify any weakness. The Company would like to stress that the Company will use its best endeavours to carry out necessary measures and appropriate actions to ensure full compliance with the Listing Rules on an on-going basis.

KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group is committed to operating in a sustainable manner while balancing the interests of its various stakeholders including employees, customers, suppliers and subcontractors.

The Group's employees are invaluable assets of the Group and it is dedicated to managing human capital. Remuneration package the Group offers to its staff includes basic salary, discretionary bonuses and allowance. The Directors review the performance of the Group's employees on a periodical basis in order to determine salary adjustment and promotions and keep the Group's remuneration package competitive. The Group also provides ongoing training programmes for its employees and provides subsidies to staff for recognised courses. The Group's workers are also provided with training on workplace safety and in other job related areas to facilitate them to maintain their qualifications on site. The Directors believe that these measures will also serve as means to retain quality staff.

The Group has been operating in Malaysia since the 1970s. The Directors believe that, as a result of the Group's high quality, technical proficiency, effective management programme, diversified experience and capabilities as well as its market reputation, the Group has successfully established strong and long-term business relationship with key customers and business partners as well as suppliers and subcontractors. In particular, the Group has established strong and long-term business relationships with a number of key customers who are reputable international conglomerates in the oil and gas industry. The Group has maintained strong and long-term business relationships with some of its customers for over 20 years. As a result, the Directors believe that the Group has become their preferred civil and structural works contractor.

The Directors also believe that the Group's strong and long-term relationships with these key customers provide it with a competitive advantage to secure future contracts, a steady flow of repeat business and revenue, and serve as a testament for it in marketing and business development with new customers.

The Group has also established close and long-term working relationships with suppliers and subcontractors in different areas of specialty, including a world renowned French-based concrete supplier and a manufacturer of roller shutter. The Directors believe that the Group's established relationships with them have greatly enhanced and will continue to enhance the Group's overall service to its customers.

In view of the above and as at the date of this report, there is no circumstance or any event which will have a significant impact on the Group's business and on which the Group's success depends.

DIRECTORS

The Directors during the Financial Year and up to the date of this report were:

Executive Directors

Mr. Tan Hun Tiong *(Chairman)*
Mr. Tan Han Peng *(Chief executive officer)*
Mr. Tang Zhiming
Mr. Chen Da

Non-executive Director

Ms. Venny

Independent Non-executive Directors

Mr. Chu Hoe Tin
Mr. Ng Ying Kit
Mr. Wong Sze Lok

Article 83 (3) of the Articles provides that the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy on or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

Article 84 of the Articles provides that (1) one-third of the Directors for the time being (or, if their number is a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM, provided that every Director shall be subject to retirement by rotation at least once every three years. (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election.

In accordance with the Article 84 of the Articles, Mr. Tan Hun Tiong, Mr. Chen Da, and Mr. Wong Sze Lok Kit will retire at the forthcoming AGM and all of them, being eligible, will offer themselves for re-election at the forthcoming AGM.

BIOGRAPHIES OF DIRECTORS

The biographical details of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

CHANGES IN DIRECTOR INFORMATION UNDER RULE 13.51B OF THE LISTING RULES

(i) Mr. Tan Hun Tiong and Mr. Tan Han Peng waived their director fee of the Company for the period from July 2025 to 31 August 2025.

(ii) Mr. Wong Sze Lok was appointed as an independent director of Professional Diversity Network Inc., a company listed on the NASDAQ (Nasdaq: IPDN) on 2 October 2025. Mr. Wong resigned as an independent non-executive director of ETHK Labs Inc., a company listed on the Main Board of the Stock Exchange (Stock code: 1931) with effect from 13 January 2026 and resigned as an independent non-executive director of China e-Wallet Payment Group Limited, a company whose shares were formerly listed on the Main Board of the Stock Exchange (Stock code: 802) with effect from 16 March 2026.

DIRECTORS' SERVICE CONTRACTS

The executive Directors, namely, Mr. Tan Hun Tiong and Mr. Tan Han Peng entered into a service contract with the Company on 5 September 2019, Mr. Tang Zhiming entered into a service contract with the Company on 4 February 2021 and Mr. Chen Da entered into a service contract with the Company on 9 November 2021. The terms and conditions of each of such service contracts are similar in all material aspects. Each service contract is for an initial term of three years with effect from the effective date and shall continue thereafter unless and until it is terminated by the Company or the executive Director giving to the other not less than three months' prior notice in writing.

The non-executive Director, Ms. Venny, entered into a letter of appointment with the Company for an initial term of one year commencing from 30 April 2025. The INED, Mr. Chu Hoe Tin, entered into a letter of appointment with the Company on 5 September 2019 for an initial term of one year commencing from the Listing Date. The other INEDs, Mr. Ng Ying Kit and Mr. Wong Sze Lok, entered into letters of appointment with the Company on 27 October 2020 and 4 February 2021, respectively, each for an initial term of one year commencing from their respective dates of appointment. All of these appointments shall continue thereafter unless terminated by either party giving at least one month's written notice.

None of the Directors proposed for re-election at the forthcoming AGM has a service agreement/letter of appointment with the Company, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATIONS

Details of the remunerations of Directors are set out in Note 10 to the consolidated financial statements.

DIRECTORS' EMOLUMENT POLICY

The Remuneration Committee was established for reviewing and determining the remuneration and compensation packages of the Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group. The Company has adopted the Share Option Scheme as an incentive to the Directors and eligible employees, details of which are set out in the section headed "Share Option Scheme".

DEFINED CONTRIBUTION RETIREMENT PLAN

The Group contributes to defined contribution retirement plans which are available for eligible employees in Malaysia, Hong Kong and the PRC.

As required by the Employees Provident Fund Act 1991 of Malaysia, the Group makes contributions to the federal statutory body, Employees Provident Fund ("**EPF**"), which manages the compulsory savings plan and retirement planning for employees in Malaysia. In Hong Kong, the Group operates the Mandatory Provident Fund scheme (the "**MPF**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. In the PRC, the Group has joined defined contribution retirement schemes pursuant to the relevant laws and regulations in the PRC for the employees arranged by government authorities ("**PRC Retirement Schemes**").

Contributions to each of the EPF, MPF and PRC Retirement Schemes (collectively the "**Schemes**") by the Group and employees are calculated at certain percentages of employees' monthly salaries stipulated by the relevant government authorities. The assets of the MPF are held separately from those of the Group in an independently administered fund while EPF and PRC Retirement Schemes are state-managed. The obligation of the Group with respect to the Schemes is to make the specified contributions which are recognized as an expense in profit or loss when the services are rendered by the employees.

There are no forfeited contributions for the Schemes as the contributions are fully vested with the employees upon payment to the plans.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("**SFO**")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

(i) Interests in the Company

Name of Directors	Capacity/Nature of interest	Number of Shares (Note 1)	Percentage of shareholding
Mr. HT Tan	Interest of a controlled corporation (Note 2)	600,000,000 (L)	60%
Mr. HP Tan	Interest of a controlled corporation (Note 2)	600,000,000 (L)	60%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. All the issued shares of TBKS International are legally and beneficially owned as to 70% and 30% by Mr. HT Tan and Mr. HP Tan, respectively. Accordingly, Mr. HT Tan and Mr. HP Tan are deemed to be interested in the 600,000,000 Shares held by TBKS International under the SFO. Mr. HT Tan and Mr. HP Tan are a group of Controlling shareholders.

(ii) Interests in associated corporation of the Company

Name of Directors	Name of associated corporation	Number of Shares (Note 1)	Percentage of shareholding
Mr. HT Tan	TBKS International	70 (L)	70%
Mr. HP Tan	TBKS International	30 (L)	30%

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executives of the Company had, or was deemed to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of the Company as referred to in the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity/Nature of interest	Number of Shares (Note 1)	Percentage of shareholding
TBKS International	Beneficial owner	600,000,000(L)	60%
Ms. Tan Siew Hong	Interest of spouse (Note 2)	600,000,000(L)	60%
Red Bright International Limited ("**Red Bright**")	Person having a security interest in shares (Note 4)	600,000,000(L)	60%
Mr. Yang Dunwei ("**Mr. Yang**")	Interest of controlled corporation (Note 5)	600,000,000(L)	60%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. Ms. Tan Siew Hong is the spouse of Mr. HT Tan. By virtue of the SFO, Ms. Tan Siew Hong is deemed to be interested in all the Shares in which Mr. HT Tan is interested or deemed to be interested under the SFO.

3. On 28 September 2021, TBKS International and Red Bright entered into a deed of charge pursuant to which 600,000,000 Shares in the name of TBKS International are to be charged to Red Bright as security.

4. Based on the notices of disclosure of interest filed by Mr. Yang on 30 September 2021, Mr. Yang has 100% direct interest in Red Bright and he is deemed to be interested in all the Shares held by Red Bright under the SFO.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Financial Year was the Company or its subsidiaries a party to any arrangement 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.

COMPETING INTERESTS

As confirmed by the Directors, Controlling Shareholders and their respective close associates do not have any interests in any business, apart from the business operated by members of the Group, which competes or is likely to compete, directly or indirectly, with the business of the Group during Financial Year.

REPORT OF THE DIRECTORS

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed minimum public float for its shares as required under the Listing Rules.

DIRECTORS' INTEREST IN SIGNIFICANT CONTRACTS

Save as disclosed in this annual report, no transactions, arrangements or contracts of significance in relation to the Group's business in which the Company or any its subsidiaries was a party and in which the Director had a material interest, whether directly or indirectly, subsisted during the Financial Year.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2026 and up to the date of this annual report.

INDEPENDENT AUDITOR

The consolidated financial statements for the Financial Year were audited by Asian Alliance (HK) CPA Limited, the independent auditor, who shall retire and, being eligible, offers itself for re-appointment at the forthcoming AGM. A resolution will be proposed at the forthcoming AGM to re-appoint Asian Alliance (HK) CPA Limited as the auditor and to authorise the Directors to fix its remuneration.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax reliefs and exemptions available to Shareholders by reason of their holding of the Company's securities.

DONATIONS

During the Financial Year, the Group made donations for charitable and other purposes of RM85,500.

On behalf of the Board

Tan Hun Tiong
Chairman
Hong Kong, 29 September 2026

INDEPENDENT AUDITOR'S REPORT

久安(香港)會計師事務所有限公司
Asian Alliance (HK) CPA Limited

TO THE SHAREHOLDERS OF TBK & SONS HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of TBK & Sons Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 68 to 152, which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We are independent of the Group in accordance with the HKICPA's "*Code of Ethics for Professional Accountants*" (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements 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.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of civil and structural works contracts	
We identified the recognition of revenue from construction contracts as a key audit matter due to the significance of the amount to the consolidated financial statements as a whole and the degree of judgement and estimation uncertainty involved. For the year ended 30 June 2026, the Group's revenue recognised for civil and structural works amounted to approximately RM75 million. The Group's revenue from civil and structural works is recognised over time using the output method. This approach is based on direct measurements of the value of services delivered or surveys of performance completed to date relative to the remaining contracts obligations. Revenue is determined through surveys of completed work, supported by payment certificates from architects, surveyors, or customer-appointed representatives.	Our audit procedures in relation to the management's assessment on revenue recognition of civil and structural works contracts: • Assessed the Group's revenue recognition policy to ascertain they are in compliance with IFRS 15 *Revenue from Contracts with Customers*, on a sample basis, including in identifying the contract and performance obligations and determining the transaction price; • Agreed the total budgeted contract revenue to the construction contracts and variation orders, if any, or other form of agreements or other correspondences; and • Verified whether value of work has been reasonably recognised as contract revenue, with reference to the latest payment certificates correspondence with customers. Confirmations of some projects were received to ensure the accuracy of completion stage.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables and contract assets under Expected Credit Loss ("ECL") model	
As at 30 June 2026, the carrying amount of trade receivables and contract assets, which were subject to impairment assessment under ECL model, were amounted to approximately RM13,054,000 and RM12,718,000, net of allowance for credit losses of approximately RM58,684,000 and RM3,213,000, respectively. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions. The Group always recognises lifetime ECL for trade receivables and contract assets. Except for trade receivables which the management of the Group considered as high uncertainty of recovery, which are assessed for impairment individually, the remaining trade receivables are grouped under a provision matrix based on shared credit risk characteristics and the historical observed default rates adjusted by forward looking estimates. We consider impairment assessment of trade receivables and contract assets as a key audit matter because of the significance to the Group's consolidated financial statements as a whole and the assessment on ECLs involved significant judgements and estimates by management.	Our audit procedures in relation to the management's assessment on impairment assessment of trade receivables and contract assets: • Understood key controls on how the management estimates the ECL allowance on trade receivables and contract assets; • Evaluated the competence, capabilities, independence and objectivity of the independent professional valuer engaged by the management, and the scope of the valuer's work; • Assessed the reasonableness and appropriateness of the methodologies, inputs and estimates used to assess the ECLs rates for trade receivables and contract assets; • Evaluated the reasonableness of management assessment on ECL by challenging the assumptions, including both historical and forward-looking information used to determine the ECL; and • Obtained aged analysis of trade receivables and contract assets and tested the accuracy of information used by management by comparing individual items in the analysis with relevant supporting documents, on a sample basis.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company (the "**Directors**") are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Cheng Ting Chiu
Practising Certificate Number: P06598

8/F., Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

29 September 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Notes	2026 RM'000	2025 RM'000
Revenue	6	**75,398**	97,408
Cost of sales		**(73,943)**	(91,064)
Gross profit		**1,455**	6,344
Other income, gains and losses, net	7	**8,531**	(484)
Selling and distribution expenses		**(351)**	(384)
Administrative expenses		**(16,800)**	(18,349)
Impairment loss under expected credit loss model, net of reversal	9	**(21,005)**	(17,437)
Impairment losses of property, plant and equipment and right-of-use assets	9	**(1,044)**	–
Finance costs	8	**(5,880)**	(470)
Share of results of an associate	17	**(36)**	54
Loss before tax	9	**(35,130)**	(30,726)
Income tax credit (expense)	12	**6**	(447)
Loss for the year		**(35,124)**	(31,173)
Other comprehensive income (expense) for the year			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation of the Company's financial statements into its presentation currency		**46**	96
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,048)**	(1,571)
Release of cumulative exchange translation reserve upon deregistration of subsidiaries		**(8)**	–
Other comprehensive expense for the year, net of income tax		**(1,010)**	(1,475)
Total comprehensive expense for the year		**(36,134)**	(32,648)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Notes	2026 RM'000	2025 RM'000
Loss for the year attributable to:			
– Owners of the Company		**(32,953)**	(28,338)
– Non-controlling interests		**(2,171)**	(2,835)
		(35,124)	(31,173)
Total comprehensive expense attributable to:			
– Owners of the Company		**(33,785)**	(30,248)
– Non-controlling interests		**(2,349)**	(2,400)
		(36,134)	(32,648)
Loss per share			
– Basic and diluted (RM)	13	**(3.30 sen)**	(2.83 sen)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	2026 RM'000	2025 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**8,754**	10,263
Intangible assets	15	**–**	90
Interest in an associate	17	**192**	228
		8,946	10,581
CURRENT ASSETS			
Trade and other receivables	18	**36,492**	60,602
Contract assets	19	**12,718**	35,214
Amount due from an associate	17	**–**	98
Tax recoverable		**2,426**	3,016
Pledged time deposits	20	**7,920**	6,767
Cash and cash equivalents	20	**73,606**	25,266
		133,162	130,963
Assets classified as held for sale	21	**–**	4,689
		133,162	135,652
CURRENT LIABILITIES			
Trade and other payables	22	**59,065**	65,650
Tax payable		**1,326**	1,377
Lease liabilities	23	**569**	546
Amount due to a director	24	**586**	540
Bank and other borrowings	25	**2,402**	2,676
Promissory notes	26	**19,552**	–
		83,500	70,789
NET CURRENT ASSETS		**49,662**	64,863
TOTAL ASSETS LESS CURRENT LIABILITIES		**58,608**	75,444

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	2026 RM'000	2025 RM'000
NON-CURRENT LIABILITIES			
Lease liabilities	23	**142**	574
Bank and other borrowings	25	**–**	275
Promissory notes	26	**20,002**	–
Deferred tax liabilities	27	**5**	11
		20,149	860
NET ASSETS		**38,459**	74,584
CAPITAL AND RESERVES			
Share capital	28	**5,300**	5,300
Reserves		**41,586**	75,371
Equity attributable to owners of the Company		**46,886**	80,671
Non-controlling interests	36	**(8,427)**	(6,087)
TOTAL EQUITY		**38,459**	74,584

The consolidated financial statements on pages 68 to 152 were approved and authorised for issue by the Board of Directors on 29 September 2026 and are signed on its behalf by:

TAN HUN TIONG
DIRECTOR

TAN HAN PENG
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Equity attributable to owners of the Company								
	Share capital RM'000 (Note 28)	**Share premium** RM'000 (Note a)	**Share option reserve** RM'000 (Note b)	**Merger reserve** RM'000 (Note c)	**Exchange translation reserve** RM'000 (Note d)	**Retained profits (accumulated losses)** RM'000	**Total** RM'000	**Non-controlling interests** RM'000	**Total equity** RM'000
At 1 July 2024	5,300	51,793	845	12,350	3,446	37,185	110,919	(3,687)	107,232
Loss for the year	–	–	–	–	–	(28,338)	(28,338)	(2,835)	(31,173)
Other comprehensive income (expense) for the year:									
Item that will not be reclassified to profit or loss:									
Exchange differences on translation of the Company's financial statements into its presentation currency	–	–	–	–	96	–	96	–	96
Item that may be reclassified subsequently to profit or loss:									
Exchange differences arising on translation of foreign operations	–	–	–	–	(2,006)	–	(2,006)	435	(1,571)
Other comprehensive (expense) income for the year, net of income tax	–	–	–	–	(1,910)	–	(1,910)	435	(1,475)
Total comprehensive expense for the year	–	–	–	–	(1,910)	(28,338)	(30,248)	(2,400)	(32,648)
At 30 June 2025	5,300	51,793	845	12,350	1,536	8,847	80,671	(6,087)	74,584
Loss for the year	–	–	–	–	–	(32,953)	(32,953)	(2,171)	(35,124)
Other comprehensive income (expense) for the year:									
Item that will not be reclassified to profit or loss:									
Exchange differences on translation of the Company's financial statements into its presentation currency	–	–	–	–	46	–	46	–	46
Items that may be reclassified subsequently to profit or loss:									
Exchange differences arising on translation of foreign operations	–	–	–	–	(870)	–	(870)	(178)	(1,048)
Release of cumulative exchange translation reserve upon deregistration of subsidiaries	–	–	–	–	(8)	–	(8)	–	(8)
Other comprehensive expense for the year, net of income tax	–	–	–	–	(832)	–	(832)	(178)	(1,010)
Total comprehensive expense for the year	–	–	–	–	(832)	(32,953)	(33,785)	(2,349)	(36,134)
Deregistration of a subsidiary	–	–	–	–	–	–	–	9	9
Share options lapsed	–	–	(845)	–	–	845	–	–	–
At 30 June 2026	5,300	51,793	–	12,350	704	(23,261)	46,886	(8,427)	38,459

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

Notes:

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value.

(b) Share option reserve

Share option reserve comprises cumulative expenses recognised on the granting of share options to the employees.

(c) Merger reserve

Merger reserve represents the difference between the investment costs in subsidiaries and the aggregate amount of issued share capital of subsidiaries acquired pursuant to a group reorganisation.

(d) Exchange translation reserve

Exchange translation reserve represents foreign exchange differences arising from the translation of the Company's financial statements into its presentation currency and of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 3.2(h).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	2026 RM'000	2025 RM'000
OPERATING ACTIVITIES		
Loss before tax	**(35,130)**	(30,726)
Adjustments for:		
Depreciation of property, plant and equipment, excluding right-of-use assets	**465**	653
Depreciation of right-of-use assets	**659**	960
Amortisation on intangible assets	**90**	127
Gain on disposal of property, plant and equipment	**(489)**	–
Gain on disposal of assets classified as held for sale	**(6,773)**	–
Written-off of other receivables	**53**	–
Finance costs	**5,880**	470
Interest income	**(1,197)**	(616)
Impairment loss under expected credit loss model, net of reversal	**21,005**	17,437
Impairment losses of property, plant and equipment and right-of-use assets	**1,044**	–
Gain on deregistration of subsidiaries	**(40)**	–
Share of results of an associate	**36**	(54)
Cash flows before working capital changes	**(14,397)**	(11,749)
Decrease in trade and other receivables	**4,103**	5,814
Decrease in contract assets	**26,662**	13,569
Decrease in trade and other payables	**(9,749)**	(6,940)
Cash generated from operations	**6,619**	694
Income tax refunded (paid)	**899**	(557)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**7,518**	(137)
INVESTING ACTIVITIES		
Decrease (increase) in amount due from an associate	**100**	(100)
Purchase of property, plant and equipment	**(485)**	(11)
Proceeds from disposal of property, plant and equipment	**502**	–
Proceeds from disposal of assets classified as held for sale	**10,007**	–
Interest received	**1,197**	616
Increase in pledged time deposits	**(1,153)**	(150)
Decrease in restricted bank balances	**–**	450
NET CASH FROM INVESTING ACTIVITIES	**10,168**	805

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	2026 RM'000	2025 RM'000
FINANCING ACTIVITIES		
Interest paid on bank and other borrowings	**(242)**	(431)
Repayment of capital element of lease liabilities	**(599)**	(928)
Repayment of interest element of lease liabilities	**(74)**	(39)
Proceeds of issuance of promissory notes	**39,645**	–
Interest paid on promissory notes	**(4,804)**	–
Advances from a director	**46**	540
Proceeds from bank and other borrowings	**1,325**	5,637
Repayment of bank and other borrowings	**(1,997)**	(6,437)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**33,300**	(1,658)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**50,986**	(716)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**25,266**	28,858
Effect of foreign exchange rate change	**(2,646)**	(2,876)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**73,606**	25,266
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**23,850**	8,458
Balances with a financial institution	**49,756**	16,808
	73,606	25,266

1. GENERAL INFORMATION

TBK & Sons Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 8 November 2018 under the Companies law of the Cayman Islands. The address of the Company's registered office is at the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business in Hong Kong and Malaysia are located at Unit A, 12/F, Eton Building, 288 Des Voeux Road Central, Hong Kong and Lot 333, Kampung Paya, Batu 2 Jalan Seremban, Port Dickson, Negeri Sembilan, Malaysia, respectively. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of civil and structural works in Malaysia and the People's Republic of China (the "**PRC**") and trading of oil and related products in the PRC. The ultimate holding company of the Company is TBK & Sons International Limited ("**TBKS International**") which is incorporated in the British Virgin Islands. The controlling shareholders of the Company are Mr. Tan Hun Tiong and Mr. Tan Han Peng.

The functional currency of the Company is Hong Kong dollars ("**HK$**") while the financial statements are presented in Malaysian Ringgit ("**RM**"), as in the opinion of the directors of the Company (the "**Directors**"), it presents more relevant information to the management who monitors the performance and financial position of the Group based on RM.

2. APPLICATION OF NEW AND AMENDMENTS OF IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by International Accounting Standards Board ("**IASB**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 July 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	*Lack of Exchangeability*

The application of the amendments to IFRS Accounting standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS OF IFRS ACCOUNTING STANDARDS *(Continued)*

New and Amendments to IFRS Accounting Standards in issue but are not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to IFRS 9 and IFRS 7	*Classification and Measurement of Financial Instruments (amendments)*[2]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Amendments to IFRS Accounting Standards	*Annual Improvements to IFRS Accounting Standards – Volume 11*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial instruments (amendments)

The amendments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments.

The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.

The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS OF IFRS ACCOUNTING STANDARDS *(Continued)*

New and Amendments to IFRS Accounting Standards in issue but are not yet effective *(Continued)*

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, introduces new presentation requirements in the income statement, including among others, the classification of income and expense items by categories, specific totals and subtotals. It also sets out new requirements on management-defined performance measures, as well as aggregation and disaggregation of financial information. The standard is expected to change the presentation and disclosures of the Group's consolidated financial statements but is not expected to impact the financial position or net results of the Group. Early application is permitted.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.2 MATERIAL ACCOUNTING POLICY

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Freehold land has an unlimited useful life and is not depreciated. Other property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual depreciation rates are as follows:

Depreciation has been provided on certain freehold land as the Group has not been able to segregate the cost of the building from the cost of the related freehold land. The directors are of the opinion that the depreciation of the freehold land has no material effect on the financial statements of the Group.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(c) Leasing

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

All leases (irrespective of whether they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months and does not contain a purchase option. The lease payments associated with those leases have been expensed on a straight-line basis over the lease term.

The Group applies practical expedient not to separate non-lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The Group presents right-of-use assets in "property, plant and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(c) Leasing (Continued)

Lease liabilities

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined which is generally the case at the Group, the Group uses the lessee's incremental borrowing rate.

The following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

(d) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(e) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*.

Interest/dividend income which are derived from the Group's ordinary course of business are presented as revenue.

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(e) Financial instruments (Continued)

(i) Financial assets *(Continued)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and other receivables, amount due from an associate, pledged time deposits, bank balances and contract assets) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group recognises loss allowances for expected credit losses ("**ECLs**") on trade receivables, contract assets and other financial assets measured at amortised cost.

Measurement of ECLs

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). The shortfall is then discounted at an approximation to the assets' original effective interest rate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(e) Financial instruments (Continued)

(i) Financial assets *(Continued)*

***Impairment of financial assets** (Continued)*

Measurement of ECLs (Continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime ECLs to be recognised from initial recognition of the receivables.

For other financial assets at amortised cost, the ECLs is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, impairment is measured as lifetime ECLs. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(e) Financial instruments (Continued)

(i) Financial assets *(Continued)*

***Impairment of financial assets** (Continued)*

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;
– a breach of contract such as a default or past due event;
– it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for a security because of financial difficulties.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(e) Financial instruments (Continued)

(i) Financial assets *(Continued)*

Impairment of financial assets (Continued)

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

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

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

The Group's financial liabilities, other than promissory note and dividend payable resulting from distribution of non-cash assets to shareholders, are subsequently measured at amortised cost using the effective interest method.

Promissory note

At the date of issue, promissory note is recognised at fair value. In subsequent periods, the promissory note is carried at amortised cost using the effective interest method.

Transaction costs are included in the carrying amount of promissory note and amortised over the period of the promissory note using the effective interest method.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(e) Financial instruments (Continued)

(ii) Financial liabilities and equity instruments *(Continued)*

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

(f) Revenue recognition

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

– the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

– the Group's performance creates or enhances an asset that the customer controls as the Group performs; or

– the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(f) Revenue recognition (Continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal as it controls the specified oil and related products before those goods is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9 *Financial Instruments*. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(f) Revenue recognition (Continued)

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

(g) Income taxes

Income taxes comprise current tax and deferred tax. Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill not deductible for tax purposes and initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, taxable temporary differences arising on investments in subsidiaries and associates where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences do not arise from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period, and reflects any uncertainty related to income taxes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(h) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "**functional currency**") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the reporting period. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

On preparing consolidated financial statements, the results of foreign operations are translated into the presentation currency of the Group (i.e. RM) at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising on the translation are recognised directly in other comprehensive income and accumulated as exchange translation reserve within equity. Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to the exchange translation reserve.

(i) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. Short term employee benefits are recognised in the year when the employees render the related services.

(ii) Defined contribution retirement plans

The Company's subsidiaries incorporated in Malaysia make contributions to: (i) statutory pension schemes which are defined contribution retirement plans at statutory fixed rates gazetted by Malaysia from time to time; and (ii) Social Security Organisation which requires the entity to contribute certain percentage of its payroll costs to the organisation. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(i) Employee benefits (Continued)

(ii) Defined contribution retirement plans *(Continued)*

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance in Hong Kong for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries to the maximum mandatory contributions as required by the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. Contributions to MPF Scheme are recognised as an expense in profit or loss when the services are rendered by the employees.

Employees of the group entity operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. Such entity is required to contribute certain percentages of its payroll costs to the central pension scheme. The contributions are charged to profit or loss in the period in which they are incurred.

(j) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (including right-of-use assets)
- interest in an associate

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units. Recoverable amount is the higher of fair value less costs of disposal and value in use.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(j) Impairment of assets (other than financial assets) (Continued)

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(k) Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATAMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 MATERIAL ACCOUNTING POLICY *(Continued)*

(l) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

(m) Share-based payment

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. For share options that rest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgement in applying the Group's accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) Principal versus agent consideration

The Group determines whether the nature of its promise is a performance obligation to provide the oil and related products itself (i.e., the Group is a principal) or to arrange for the oil and related products to be provided by the other party (i.e., the Group is an agent) in accordance with IFRS 15 *Revenue from Contracts with Customers* requirements. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the oil and related products to be provided by the other party. The Group's management determined that the Group is acting as the principal or agent for the trading transactions taking into consideration the nature of the promise.

The Group is a principal if it is primarily responsible for fulfilling the promise to provide the oil and related products, the Group has inventory risk and discretion in establishing the price for the oil and related products.

The Group is an agent if the Group bears no inventory risk and has to obtain the consent from customer before entering into the corresponding supplier contract.

(b) Key sources of estimation uncertainty

In addition to the estimates and underlying assumptions mentioned elsewhere in the consolidated financial statements, the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Revenue from civil and structural works contracts

Management measures the value of completed construction work based on output method, which is to recognise revenue on the basis of measurement of the value of services transferred to the customers. Management's estimate of the progress of construction works requires significant judgement and has a significant impact on the amount and timing of revenue recognised.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(i) Revenue from civil and structural works contracts (Continued)

Management has periodically measured the value of the construction work completed for each construction project based on certification performed by architects, surveyors or other representatives appointed by the customers and estimated the value of work which is completed but yet to be certified at each of the end of reporting period. Management estimated the value of work which is completed but yet to be certified based on surveys carried out by internal technicians and revisited with reference to certification subsequently performed by architects, surveyors or other representatives appointed by the customers or confirmations received from the customers. The Group regularly reviews and revises the estimation of construction contract progresses whenever there is any change in circumstances.

(ii) Impairment of trade receivables and contract assets

The Group makes ECL allowances on trade receivables and contract assets based on assumptions about risk of default and expected loss rates. The Group used judgment in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at each reporting date.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables and contract assets and provision for impairment in the periods in which such estimate has been changed.

As at 30 June 2026, the gross carrying amount of trade receivables and contract assets within the scope of the ECL model amounted to approximately RM71,738,000 (2025: RM74,946,000) and RM15,931,000 (2025: RM41,643,000), respectively. Details of the ECL allowance on trade receivables and contract assets are set out in Note 33(b).

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(iii) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value-in-use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the cash flows projections, growth rate and discount rate are subject to greater uncertainties due to uncertainty on economic outlook in Malaysia.

As at 30 June 2026, the carrying amounts of property, plant and equipment and right-of-use assets subject to impairment assessment were approximately RM5,940,000 and RM2,545,000, respectively, for the site preparation works projects segment, civil works projects segment and building works projects segment. Impairment losses of approximately RM494,000 and RM550,000 were recognised on property, plant and equipment and right-of-use assets respectively for the year ended 30 June 2026. Details of the impairment of property, plant and equipment and right-of-use assets are disclosed in Note 16 to the consolidated financial statements.

5. OPERATING SEGMENTS

Information reported to the board of Directors, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under IFRS 8 *Operating Segments* are as follows:

(i) Site preparation works project

(ii) Civil works projects

(iii) Building works projects

(iv) Construction and renovation works projects

(v) Trading of oil and related products

Segment revenue and results

Year ended 30 June 2026

	Site preparation works projects RM'000	Civil works projects RM'000	Building works projects RM'000	Construction and renovation works projects RM'000	Trading of oil and related products RM'000	Total RM'000
Revenue						
Revenue from external customers	3,860	65,569	722	5,247	–	75,398
Segment cost of sales	(3,841)	(64,303)	(711)	(5,088)	–	(73,943)
Gross profit	19	1,266	11	159	–	1,455
Other income, gains and losses, net						8,531
Selling and distribution expenses						(351)
Administrative expenses						(16,800)
Impairment loss under expected credit loss model, net of reversal						(21,005)
Impairment losses of property, plant and equipment and right-of-use assets						(1,044)
Finance costs						(5,880)
Share of results of an associate						(36)
Loss before tax						(35,130)

5. OPERATING SEGMENTS

Segment revenue and results *(Continued)*

Year ended 30 June 2025

	Site preparation works projects RM'000	Civil works projects RM'000	Building works projects RM'000	Construction and renovation works projects RM'000	Trading of oil and related products RM'000	Total RM'000
Revenue						
Revenue from external customers	600	79,324	1,285	15,847	352	97,408
Segment cost of sales	(561)	(73,532)	(1,189)	(15,782)	–	(91,064)
Gross profit	39	5,792	96	65	352	6,344
Other income, gains and losses, net						(484)
Selling and distribution expenses						(384)
Administrative expenses						(18,349)
Impairment loss under expected credit loss model, net of reversal						(17,437)
Finance costs						(470)
Share of results of an associate						54
Loss before tax						(30,726)

Revenue reported was generated from external customers. There were no inter-segment sales during the year ended 30 June 2026 (2025: Nil).

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

5. OPERATING SEGMENTS

Other segment information

Year ended 30 June 2026

	Site preparation works projects RM'000	Civil works projects RM'000	Building works projects RM'000	Construction and renovation works projects RM'000	Trading of oil and related products RM'000	Total RM'000
Depreciation of items of property, plant and equipment, excluding right-of-use assets						
Operating segments	**5**	**90**	**1**	**197**	**–**	**293**
Amount unallocated						**172**
						465
Depreciation of right-of-use assets						
Operating segments	**31**	**526**	**6**	**–**	**–**	**563**
Amount unallocated						**96**
						659

Year ended 30 June 2025

	Site preparation works projects RM'000	Civil works projects RM'000	Building works projects RM'000	Construction and renovation works projects RM'000	Trading of oil and related products RM'000	Total RM'000
Depreciation of items of property, plant and equipment, excluding right-of-use assets						
Operating segments	1	163	3	148	229	544
Amount unallocated						109
						653
Depreciation of right-of-use assets						
Operating segments	5	632	10	–	280	927
Amount unallocated						33
						960

5. OPERATING SEGMENTS *(Continued)*

Other segment information *(Continued)*

Geographical information

The Group's operations are located in Hong Kong, Malaysia and the PRC.

Information about the Group's revenue is presented based on the geographical location of customers from which the sales transactions originated.

Information about the Group's non-current assets is presented based on the geographical location of the Group's assets (excluding deferred tax assets).

	Revenue from external customers		Non-current assets	
	2026 RM'000	2025 RM'000	**2026 RM'000**	2025 RM'000
Hong Kong	**–**	–	**160**	–
Malaysia	**70,151**	81,209	**8,677**	10,175
PRC	**5,247**	16,199	**109**	406
	75,398	97,408	**8,946**	10,581

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the Group's revenue are as follows:

	2026 RM'000	2025 RM'000
Civil works projects:		
Customer A	**15,829**	47,571
Customer B	**13,211**	*Note
Customer C	**12,663**	–
Customer D	**9,119**	*Note
Customer E	***Note**	12,153

Note: The corresponding revenue did not contribute over 10% of the total revenue of the Group in the particular year.

6. REVENUE

Revenue represents the amounts received and receivable for civil and structural works rendered by the Group to customers and trading of oil and related products.

An analysis of the Group's revenue from contracts with customers is as follows:

	2026 RM'000	2025 RM'000
Recognised over time		
Site preparation works projects	**3,860**	600
Civil works projects	**65,569**	79,324
Building works projects	**722**	1,285
Construction and renovation works projects	**5,247**	15,847
	75,398	97,056
Recognised at a point in time		
Trading of oil and related products	**–**	352
	75,398	97,408

Provision of civil and structural works (including site preparation works projects, civil works projects, building works projects, and construction and renovation works projects)

The Group provides civil and structural works based on contracts entered with customers before the commencement of the projects. Under the terms of the contracts, the civil and structural works performed by the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. The civil and structural works provide a distinct and significant integration contract work which are considered a single performance obligation with regard to the contracts. Revenue from provision of civil and structural works is recognised over time using output method, i.e. based on surveys of civil and structural works completed by the Group to date with reference to payment certificates issued by architects, surveyors or other representatives appointed by the customer which the directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations. The period of civil and structural works varies from 1 to 3 years.

6. REVENUE *(Continued)*

Trading of oil and related products

The Group recognises the revenue from the sales of oil and related products at a point in time when the customer obtains control of the goods which is upon the delivery of the related goods to the customer. Revenue is measured based on the consideration specified in a contract with a customer, excludes sales related taxes.

Transaction price allocated to the remaining performance obligations for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) and the expected timing of recognising revenue are as follows:

	2026 RM'000	2025 RM'000
Provision of civil and structural works and construction and renovation works projects	**110,301**	47,712

7. OTHER INCOME, GAINS AND LOSSES, NET

	2026 RM'000	2025 RM'000
Interest income	**1,197**	616
Sundry income	**1**	140
Exchange gain, net	**31**	11
Gain on disposal of property, plant and equipment	**489**	–
Gain on disposal of assets classified as held for sale (Note 21)	**6,773**	–
Loss from default on oil trading contract (Note 18(b))	**–**	(1,251)
Gain on deregistration of subsidiaries	**40**	–
	8,531	(484)

8. FINANCE COSTS

	2026 RM'000	2025 RM'000
Interests on:		
– bank and other borrowings	**242**	431
– promissory notes	**5,564**	–
– lease liabilities	**74**	39
	5,880	470

9. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	2026 RM'000	2025 RM'000
Auditor's remuneration	**408**	545
Amortisation on intangible assets	**90**	127
Depreciation of property, plant and equipment, excluding right-of-use assets	**465**	653
Depreciation of right-of-use assets	**659**	960
Impairment losses recognised (reversed) on:		
– Trade receivables	**22,930**	14,075
– Other receivables	**441**	(249)
– Contract assets	**(3,166)**	3,695
– Bank balances	**802**	(86)
– Amount due from an associate	**(2)**	2
	21,005	17,437
Impairment losses of property, plant and equipment	**494**	–
Impairment losses of right-of-use asset	**550**	–
	1,044	–
Cost of inventories	**14,633**	17,259
Subcontracting charges including in cost of sales	**36,600**	48,510
Employee benefits expenses (including Directors' and chief executive's emoluments) (Note 10):		
– Wages, salaries and other benefits	**24,616**	25,035
– Contributions to defined contribution plans	**1,785**	1,702
Total employee costs	**26,401**	26,737
Less: amounts included in cost of sales	**(15,219)**	(16,141)
Employee costs included in administrative expenses and selling and distribution expenses	**11,182**	10,596

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the years, disclosed pursuant to the Listing Rules and the Hong Kong Companies Ordinance, are set out as follows:

For the year ended 30 June 2026

	Fees RM'000	Salaries and other benefits RM'000	Contributions to defined contribution plans RM'000	Waiver of director fee RM'000	Total RM'000
Executive directors:					
Mr. Tan Hun Tiong *(Chairman)* (note a)	306	1,800	87	(51)	2,142
Mr. Tan Han Peng *(Chief Executive Officer)* (note a)	306	1,800	174	(51)	2,229
Mr. Tang Zhi Ming	306	119	19	–	444
Mr. Chen Da	306	–	–	–	306
Non-executive directors:					
Ms. Venny (note c)	122	–	–	–	122
Independent non-executive directors:					
Mr. Chu Hoe Tin	122	–	–	–	122
Mr. Ng Ying Kit	122	–	–	–	122
Mr. Wong Sze Lok	122	–	–	–	122
	1,712	3,719	280	(102)	5,609

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

For the year ended 30 June 2025

	Fees RM'000	Salaries and other benefits RM'000	Contributions to defined contribution plans RM'000	Waiver of director fee RM'000	Total RM'000
Executive directors:					
Mr. Tan Hun Tiong *(Chairman)* (note a)	336	1,030	63	(336)	1,093
Mr. Tan Han Peng *(Chief Executive Officer)* (note a)	336	1,030	125	(336)	1,155
Mr. Tang Zhi Ming	336	121	15	–	472
Mr. Chen Da	336	–	–	–	336
Non-executive directors:					
Ms. Chooi Pey Nee (notes a & b)	112	–	–	(112)	–
Ms. Venny (note c)	22	–	–	–	22
Independent non-executive directors:					
Mr. Chu Hoe Tin	134	–	–	–	134
Mr. Ng Ying Kit	134	–	–	–	134
Mr. Wong Sze Lok	134	–	–	–	134
	1,880	2,181	203	(784)	3,480

Notes:

a. During the year ended 30 June 2026, Mr. Tan Hun Tiong and Mr. Tan Han Peng agreed to waive their directors' fees partially (2025: Mr. Tan Hun Tiong, Mr. Tan Han Peng and Ms. Chooi Pey Nee agreed to waive their directors' fees in full).

b. Ms. Chooi Pey Nee resigned as non-executive director on 30 April 2025.

c. Ms. Venny was appointed as non-executive director on 30 April 2025.

d. The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and its subsidiaries.

e. The non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries.

f. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

g. During the years ended 30 June 2026 and 2025, no emoluments were paid by the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

11. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid employees of the Group during the year include two (2025: two) Directors, details of whose emoluments are set out in Note 10 above. Details of the remuneration of the remaining three (2025: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2026 RM'000	2025 RM'000
Salaries and other benefits	1,525	1,675
Contributions to defined contribution plans	18	29
	1,543	1,704

The emoluments of each of the above non-director highest paid individuals during the years ended 30 June 2026 and 2025 were all within the following bands:

	2026	2025
HK$Nil to HK$1,000,000	2	2
HK$1,000,001 to HK$1,500,000	1	1
	3	3

12. INCOME TAX (CREDIT) EXPENSE

	2026 RM'000	2025 RM'000
Current tax:		
Malaysian corporate income tax	–	423
Deferred tax (Note 27)	(6)	24
Incomes tax (credit) expense	(6)	447

For the years ended 30 June 2026 and 30 June 2025, the Group's entities established in the Cayman Islands and the British Virgin Islands ("**BVI**") are not subject to income tax as there were no assessable profits during the years.

The Malaysian corporate income tax applicable to Tan Bock Kwee & Sons Sdn. Bhd. ("**TBK**") and Prestasi Senadi Sdn. Bhd. ("**Prestasi Senadi**") is calculated at the statutory tax rate of 24% of the assessable profits for the years ended 30 June 2026 and 2025.

12. INCOME TAX (CREDIT) EXPENSE *(Continued)*

Pursuant to the State Taxation Administration Hainan Provincial Taxation Bureau Announcement No. 2 of 2025, the Group's subsidiary, 港聯高能源(海南)有限公司 (Gangliangao Energy (Hainan) Company Limited) ("**Gangliangao Hainan**"), is subject to EIT at the preferential rate of 15% from 1 January 2025 to 31 December 2027. Pursuant to the Notice on the Policies of Income Tax Preferences for Enterprises in Hainan Free Trade Port (Cai Shui 2020 No.31), Gangliangao Hainan is subject to EIT at the preferential rate of 15% from 1 January 2020 to 31 December 2024. No EIT has been provided for the years ended 30 June 2026 and 2025 as Gangliangao Hainan has no assessable profits arising in PRC.

Other than the above-mentioned subsidiaries, certain PRC subsidiaries are eligible as a small low-profit enterprise and is subject to the preferential tax treatment for the years ended 30 June 2026 and 2025. The portion of annual taxable income amount of a small low-profit enterprise which does not exceed RMB3 million shall be computed at a reduced rate of 25% of taxable income amount, and be subject to EIT at 20% tax rate.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years. No provision for taxation in Hong Kong has been made as the Group did not generate any assessable profit arising in Hong Kong for the years ended 30 June 2026 and 2025.

The income tax (credit) expense for the years ended 30 June 2026 and 2025 can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2026 RM'000	2025 RM'000
Loss before tax	**(35,130)**	(30,726)
Tax at Malaysian statutory corporate tax rate	**(8,431)**	(7,374)
Effect of different tax rates in foreign jurisdictions	**1,793**	509
Tax effect of expenses not deductible for tax purposes	**5,580**	5,096
Tax effect of income not taxable for tax purposes	**(184)**	(151)
Tax effect of tax losses not recognised	**1,242**	1,737
Tax effect of temporary differences not recognised	**–**	625
Others	**(6)**	5
Income tax (credit) expense	**(6)**	447

12. INCOME TAX (CREDIT) EXPENSE *(Continued)*

The Group is within the scope of the Pillar Two Model Rules published by the OECD. Under these rules, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15 per cent minimum rate. Among the jurisdictions in which the Group operate, Pillar Two legislation became effective in Malaysia on 1 January 2025. No provision for Pillar Two Income Tax has been recognised as the revenue generated from Malaysia is less than Euro 750 million threshold required for the application of the GloBE rules.

The Group has applied the exception recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in Amendments to IAS 12 *Income Taxes*.

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2026 RM'000	2025 RM'000
Loss		
Loss for the year attributable to owners of the Company	**(32,953)**	(28,338)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,000,000**	1,000,000

For the year ended 30 June 2026, no diluted earnings per share for 2026 was presented as there were no potential ordinary shares in issue for 2026.

For the year ended 30 June 2025, the computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold land and buildings RM'000	Leasehold improvement RM'000	Workshop RM'000	Plant and machinery, excavators, loader and motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Right-of-use assets RM'000	Total RM'000
COST								
At 1 July 2024	8,481	3,080	315	10	25,982	591	9,988	48,447
Additions	–	–	–	–	–	11	1,244	1,255
Transferred from right-of-use assets	–	–	–	–	1,800	–	(1,800)	–
Transferred to assets held for sale	(4,689)	–	–	–	–	–	–	(4,689)
Translation adjustments	–	–	(30)	–	(112)	(27)	(166)	(335)
At 30 June 2025	3,792	3,080	285	10	27,670	575	9,266	44,678
Addition	–	–	23	–	447	15	190	675
Disposals	–	–	–	–	(1,443)	–	–	(1,443)
Lease expired	–	–	–	–	–	–	(2,717)	(2,717)
Translation adjustments	–	–	5	–	19	3	–	27
At 30 June 2026	**3,792**	**3,080**	**313**	**10**	**26,693**	**593**	**6,739**	**41,220**
ACCUMULATED DEPRECIATION AND IMPAIRMENT								
At 1 July 2024	–	808	238	10	24,998	474	6,533	33,061
Charge for the year	–	62	71	–	464	56	960	1,613
Transferred from right-of-use assets	–	–	–	–	1,770	–	(1,770)	–
Translation adjustments	–	–	(24)	–	(66)	(22)	(147)	(259)
At 30 June 2025	–	870	285	10	27,166	508	5,576	34,415
Charge for the year	–	62	3	–	360	40	659	1,124
Disposals	–	–	–	–	(1,430)	–	–	(1,430)
Lease expired	–	–	–	–	–	–	(2,717)	(2,717)
Impairment loss	–	–	–	–	482	12	550	1,044
Translation adjustments	–	–	5	–	22	3	–	30
At 30 June 2026	**–**	**932**	**293**	**10**	**26,600**	**563**	**4,068**	**32,466**
NET CARRYING AMOUNTS								
At 30 June 2026	**3,792**	**2,148**	**20**	**–**	**93**	**30**	**2,671**	**8,754**
At 30 June 2025	3,792	2,210	–	–	504	67	3,690	10,263

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

As at 30 June 2026, leasehold land and buildings included in right-of-use assets with net carrying amount of RM1,563,000 (2025: RM1,581,000) are pledged as securities for the banking facilities granted to the Group as detailed in Note 25.

As at 30 June 2025, certain freehold land with net carrying amount of approximately RM4,689,000 are pledged as securities for the banking facilities granted to the Group as detailed in Note 25.

The above items of property, plant and equipment, expect for freehold land which has unlimited useful life, after taking into account their residual values, are depreciated on a straight-line basis over their estimated useful life as follows:

Freehold land and buildings	50 years
Leasehold improvements	Over the shorter of lease terms or useful life
Workshop	50 years
Plant and machinery, excavators, loader and motor vehicles	5-13 years
Furniture, fittings and office equipment	3-10 years

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

Right-of-use assets

	Leasehold land RM'000	**Leasehold land and buildings** RM'000	**Leased Properties** RM'000	**Plant and machinery** RM'000	**Total** RM'000
At 1 July 2024	726	2,639	–	90	3,455
Additions	891	353	–	–	1,244
Depreciation	(463)	(437)	–	(60)	(960)
Transferred to plant and machinery, excavators, loader and motor vehicles	–	–	–	(30)	(30)
Translation adjustments	–	(19)	–	–	(19)
At 30 June 2025	1,154	2,536	–	–	3,690
Additions	–	–	190	–	190
Depreciation	(450)	(145)	(64)	–	(659)
Impairment loss	(334)	(216)	–	–	(550)
At 30 June 2026	**370**	**2,175**	**126**	**–**	**2,671**

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2026 RM'000	2025 RM'000
Depreciation charge of right-of-use assets	**659**	960
Interest on lease liabilities	**74**	39
Expenses relating to short-term leases	**1,318**	3,221
	2,051	4,220
Total cash outflow for leases	**1,991**	4,188

For both years, the Group leases land, buildings, plant and machinery for its operations. Lease contracts are entered into for fixed term of 2 to 99 years (2025: 2 to 99 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for offices, machinery and equipment. As at 30 June 2026 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses disclosed above.

15. INTANGIBLE ASSETS

	Safety production licenses RM'000	Construction qualification certificates RM'000	Incomplete construction contracts RM'000	Total RM'000
Cost				
At 1 July 2024	109	485	12	606
Written-off	–	–	(12)	(12)
Translation adjustments	(10)	(45)	–	(55)
At 30 June 2025	99	440	–	539
Translation adjustments	2	7	–	9
At 30 June 2026	**101**	**447**	**–**	**548**
Accumulated amortisation				
At 1 July 2024	97	263	12	372
Charge for the year	14	113	–	127
Written-off	–	–	(12)	(12)
Translation adjustments	(12)	(26)	–	(38)
At 30 June 2025	99	350	–	449
Charge for the year	–	90	–	90
Translation adjustments	2	7	–	9
At 30 June 2026	**101**	**447**	**–**	**548**
Net carrying amount				
At 30 June 2026	**–**	**–**	**–**	**–**
At 30 June 2025	–	90	–	90

The safety production licenses and construction qualification certificates were acquired from Shandong Provincial Department of Housing and Urban-Rural Development.

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on a straight-line basis over their useful lives as follows:

Safe production licenses	33%
Construction qualification certificates	20%
Incomplete construction contracts	4 months

16. IMPAIRMENT ASSESSMENT OF PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Site preparation works projects, civil works projects and building works projects

At 30 June 2026, the site preparation works projects segment, civil works projects segment and building works projects segment, collectively as Malaysia CGU, continued to underperform, the management of the Group concluded there was indication for impairment and conducted impairment assessment by determining the recoverable amounts of freehold land and freehold land and buildings included in property, plant and equipment with aggregated carrying amounts of approximately RM3,792,000 and RM2,148,000 respectively, and leasehold land and leasehold land and buildings included in right-of use assets with aggregated carrying amounts of approximately RM370,000 and RM2,175,000 respectively.

The recoverable amount of the freehold land, freehold land and buildings, and certain leasehold land and leasehold land and buildings ("**Land and Buildings – non lease**"), which is not under the lease, have been stated at fair value less costs of disposal. The Group uses direct comparison approach to estimate the fair value less costs of disposal by assuming sale of the properties in its existing status with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market. The fair value measurement is categorised into Level 3 fair value hierarchy. That calculation uses indicators below as at 30 June 2026.

Type of properties	Significant unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Vacant industrial lands located in Malaysia Vacant residential lands located in Malaysia Office, shophouse and apartment located in Malaysia	The significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.	Adjusted price per square metre from RM222 to RM243 Adjusted price per square metre from RM219 to RM325 Adjusted price per square metre from RM1,165 to RM4,462	The key input is price per square metre, adjusted for other factors including location and time factor

As at 30 June 2026, based on the result of the assessment, management of the Group determined that the recoverable amounts of the freehold land, freehold land and buildings and Land and Buildings – non lease exceed their carrying amounts by approximately RM9,241,000. Accordingly, no impairment loss would be recognised against the carrying amounts of the freehold land and freehold land and buildings included in property, plant and equipment and Land and Buildings – non lease included in right-of-use assets.

The recoverable amount of other property, plant and equipment and remaining portion of leasehold land and leasehold land and buildings ("**Land and Buildings – lease**") has been determined with reference to a value in use calculation based on discounted cash flow approach. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering a 5-year period. The pre-tax discount rate and terminal capitalisation rate applied to cash flow projection is 13% and 11% respectively.

16. IMPAIRMENT ASSESSMENT OF PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS *(Continued)*

Site preparation works projects, civil works projects and building works projects *(Continued)*

As at 30 June 2026, based on the result of the assessment, management of the Group determined that the recoverable amounts of other property, plant and equipment and Land and Buildings – lease were lower than the carrying amounts. Accordingly, impairment losses of approximately RM494,000 and RM550,000 were recognised on property, plant and equipment and Land and Buildings – lease included in right-of use assets respectively for the year ended 30 June 2026.

Other remaining businesses

As at 30 June 2026, the Directors considered that the net carrying amounts of property, plant and equipment and right-of-use assets in construction and renovation works projects segment and trading of oil and related products segment operating in the PRC were not material to the Group with no impairment indicators identified, thus the Directors concluded that the carrying amount of the relevant property, plant and equipment and right-of-use assets does not exceed the recoverable amount and no impairment was recognised.

17. INTEREST IN AN ASSOCIATE

	2026 RM'000	2025 RM'000
Cost of investment in an associate	**450**	450
Share of post-acquisition loss	**(258)**	(222)
	192	228
Amount due from an associate	**–**	100
Less: Allowance for credit losses	**–**	(2)
Amount due from an associate, net (Note)	**–**	98

Note: As at 30 June 2025, the receivable from an associate was unsecured, non-interest-bearing and repayable on demand (2026: Nil).

17. INTEREST IN AN ASSOCIATE *(Continued)*

Details of the Group's associate at the end of the reporting period are as follows:

Name of entity	Place of incorporation/ principal place of operation	Issued and fully paid-up capital held by the Group	Proportion of ownership interest		Proportion of voting rights held by the Group		Principal activities
			2026	2025	**2026**	2025	
OME Diversified Sdn. Bhd. ("**OME Diversified**")	Malaysia	RM1,001,000	**49%**	49%	**49%**	49%	General contractors

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts in an associate's financial statements prepared in accordance with IFRS Accounting Standards.

The associate is accounted for using equity method in these consolidated financial statements.

	2026 RM'000	2025 RM'000
As at 30 June		
Non-current assets	**–**	–
Current assets	**2,535**	2,074
Current liabilities	**(2,144)**	(1,610)
Net assets	**391**	464
Group's share of net assets of the associate	**192**	228

	2026 RM'000	2025 RM'000
Revenue	**2,657**	2,053
Expenses	**(2,730)**	(1,944)
(Loss) profit before tax	**(73)**	109
Income tax expense	**–**	–
(Loss) profit and total comprehensive (expense) income for the year	**(73)**	109
Dividends received from the associate during the year	**–**	–

18. TRADE AND OTHER RECEIVABLES

	2026 RM'000	2025 RM'000
Trade receivables	**71,738**	74,946
Less: Allowance for credit losses	**(58,684)**	(34,808)
	13,054	40,138
Bills receivables (Note (a))	**120**	–
Advance paid to sub-contractors and suppliers	**206**	475
Other receivables (Notes b and c)	**23,322**	19,909
Other deposits	**604**	629
	24,132	21,013
Less: Allowance for credit losses	**(1,068)**	(628)
	23,064	20,385
Prepayments	**254**	79
	36,492	60,602

As at 1 July 2024, trade receivables from contracts with customers amounted to approximately RM53,958,000, net of allowance for credit losses of approximately RM22,987,000.

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 0 day to 120 days from the invoice dates. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

18. TRADE AND OTHER RECEIVABLES *(Continued)*

The ageing analysis of gross trade receivables, based on the invoice dates, as at 30 June 2026 and 2025 are as follows:

	2026 RM'000	2025 RM'000
1 to 90 days	**4,025**	12,981
91 to 180 days	**558**	8,508
181 to 270 days	**70**	10,253
271 to 360 days	**812**	4,394
Over 360 days	**66,273**	38,810
	71,738	74,946

The Group did not hold any collateral as securities as at 30 June 2026 and 2025.

During the year ended 30 June 2026, the Group factored part of its trade receivables owed by a debtor of RM1,200,000 (2025: RM295,000) with full recourse to a financial institution. In the event of default by the debtor, the Group is obligated to pay the financial institution the amount in default. Interest is charged at 4% (2025: 4%) on the proceeds received from the financial institution until the date the debtor repay or default. The Group is therefore exposed to the risks of credit losses and late payment in respect of the factoring debts.

The factoring transaction does not meet the requirements for de-recognition of financial assets as the Group retains substantially all risks and rewards of ownership of the factoring trade receivables. The carrying amount of the transferred assets and their associated liabilities approximates their fair value.

Details of the impairment assessment of trade and other receivables are set out in Note 33(b).

Notes:

(a) As at 30 June 2026, total bills receivable amounting to approximately RM120,000 are held by the Group for future settlement of trade receivables. All bills received by the Group are with a maturity period of less than one year.

(b) On 19 June 2024, a subsidiary, Liangao Shandong, entered into a procurement contract with Seller A for the purchase of fuel oil, with an estimated total consideration of Renminbi ("**RMB**") 228,683,000 (equivalent to RM134,923,000). Pursuant to the contract, a total deposit of RMB32,050,000 (equivalent to RM18,910,000) was paid to Seller A during the year ended 30 June 2025. Due to a significant decline in the market price of fuel oil during the year ended 30 June 2025 and after assessing the potential losses under the contract, Liangao Shandong reached an agreement with Seller A to cancel the procurement contract. Under the agreement, Liangao Shandong agreed to pay a penalty of RMB2,050,000 (equivalent to RM1,251,000) as compensation, and Seller A agreed to refund the remaining balance of RMB30,000,000 (equivalent to RM17,700,000) in three installments. As at 30 June 2026, the unsettled amount of RMB4,601,000 (equivalent to RM2,760,000) was subsequently received in September 2026.

(c) On 20 November 2025, a subsidiary of the Group ("**Subsidiary B**") entered into a procurement contract with Seller B for the purchase of steel and disbursed a prepayment of RMB19,500,000 (equivalent to approximately RM11,700,000) during the year ended 30 June 2026.

Due to the suspension of a downstream customer's project, Subsidiary B entered into a cancellation agreement with Seller B on 21 April 2026 to terminate the procurement contract, under which both parties mutually waived liability for breach of contract. Seller B agreed to refund the full prepayment of RMB19,500,000 (equivalent to approximately RM11,700,000) in installments by 20 August 2026. As of 30 June 2026, the refund balance was recorded within other receivables.

Subsequent to the end of the reporting period, full cash settlement was received from Seller B, satisfying the prepayment refund in full.

19. CONTRACT ASSETS

	2026 RM'000	2025 RM'000
Contract assets	**15,931**	41,643
Less: Allowance for credit losses	**(3,213)**	(6,429)
	12,718	35,214

As at 1 July 2024, contract assets amounted to approximately RM49,918,000, net of allowance for credit losses of approximately RM3,045,000.

As at 30 June 2026, included in contract assets were accrued billings totaling RM7,319,000 (2025: RM28,308,000), net of allowance for credit losses of approximately RM1,704,000 (2025: RM5,998,000). Accrued billings relate to the Group's right to consideration for work completed and not billed, and such right is conditional upon the Group's future performance in satisfying the respective performance obligations at the reporting date in respect of civil and structural works contracts.

As at 30 June 2026, retention money for contract works amounted to approximately RM5,399,000 (2025: approximately RM6,906,000), net of allowance for credit losses of approximately RM1,509,000 (2025: RM431,000) are included in contract assets. Retention money is part of the consideration that the customers retain which is payable on successful completion of the contracts in order to provide the customers with assurance that the Group will complete its obligation satisfactorily under the contracts, rather than to provide financing to the customers. Retention money is unsecured, interest-free and recoverable at the end of the defects liability period of individual contracts.

The decrease in contract assets was primarily attributable to the timing of receipt of certification of completed works by customers. As at 30 June 2026, the number of projects with certificates not yet received from customers was significantly lower than that as at 30 June 2025. In particular, one of the projects with certificate received subsequent to 30 June 2025 involved a significant amount of approximately RM19.2 million.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

Construction contracts

The Group agrees a retention period for certain projects ranging from 1 year to 5 years for 3% to 10% of the contract value and the amounts are recognised as contract assets until the retention period expires.

The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

Details of the impairment assessment of contract assets are set out in Note 33(b).

20. CASH AND CASH EQUIVALENTS PLEDGED BANK DEPOSITS

	2026 RM'000	2025 RM'000
Pledged time deposits	**7,920**	6,767
Cash and bank balances	**23,850**	8,458
Balances with a financial institution	**50,869**	17,119
	74,719	25,577
Less: Allowance for credit losses	**(1,113)**	(311)
Cash and cash equivalents	**73,606**	25,266

Cash and cash equivalents included demand deposits and short-term deposits for the purpose of meeting the Group's short-term cash commitments, which carried interest at market rates ranging from 0.00% to 3.55% (2025: 0.00% to 0.3%).

The Group's pledged time deposits, have terms ranging from 1 to 12 months and carried interest rates between 1.65% and 2.30% per annum (2025: 2.1% and 2.5% per annum).

The balances with banks and a financial institution can be withdrawn with short notices. Cash at banks earns interest at floating rates based on daily bank deposit rates. The carrying amounts of the cash and cash equivalents approximate their fair values.

The bank balances are deposited with creditworthy banks and financial institution with no recent history of default. As at 30 June 2026, the Group provided for ECLs of RM1,113,000 (2025: RM311,000) against the balance with a financial institution. Details of the related impairment assessment are set out in Note 33(b).

20. CASH AND CASH EQUIVALENTS PLEDGED BANK DEPOSITS *(Continued)*

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	2026 RM'000	2025 RM'000
United States Dollar ("**USD**")	**50,886**	16,812

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

21. ASSETS CLASSIFIED AS HELD FOR SALE

On 24 April 2025, an indirect wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement with an independent third party to dispose of four pieces of freehold land in the state of Johor, Malaysia, for a total consideration of approximately RM11,462,000. The freehold lands had been previously pledged to a Malaysian bank as security for the banking facilities granted to the Group, which was released for sale by such bank on the condition that RM1.0 million of the proceeds from the disposal would be pledged as security for the Group's banking facilities upon completion of the disposal. The Group has received a deposit amounted to RM1,146,000 from the third party in June 2025. As at 30 June 2025, the freehold lands of approximately RM4,689,000 have been classified as assets held for sale and are presented separately in the consolidated statement of financial position. No impairment loss was recorded as the fair value less costs to sell is higher than the assets' carrying value.

During the year ended 30 June 2026, the disposal was completed and the Group recognised a gain of approximately RM6,773,000, representing the total consideration minus the carrying amount of the freehold lands.

22. TRADE AND OTHER PAYABLES

	Notes	2026 RM'000	2025 RM'000
Trade payables	(a)	**38,276**	49,028
Retention payables	(b)	**1,783**	2,080
Accruals	(c)	**10,717**	7,640
Other payables		**7,156**	6,902
Contract liabilities	(d)	**1,133**	–
		59,065	65,650

Notes:

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 0 day to 120 days (2025: 30 days to 180 days) from the invoice dates.

The ageing analysis of trade payables, based on the invoice dates, as at 30 June 2026 and 2025 are as follows:

	2026 RM'000	2025 RM'000
Within 30 days	**9,000**	12,336
31 to 60 days	**3,779**	4,623
61 to 90 days	**159**	5,710
Over 90 days	**25,338**	26,359
	38,276	49,028

(b) Retention payables to subcontractors of contract works are interest-free and payable by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts.

(c) As at 30 June 2026, included in accruals were salary and allowance totaling RM6,848,000 (2025: RM4,826,000), and director's remuneration totaling RM2,580,000 (2025: RM1,379,000).

22. TRADE AND OTHER PAYABLES *(Continued)*

Notes: *(Continued)*

(d) Contract liabilities

	2026 RM'000	2025 RM'000
Contract liabilities		
– related to civil works projects	1,133	–

As at 1 July 2024, no contract liabilities were noted.

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current liabilities based on the Group's earliest obligation to transfer goods or services to the customers.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	Civil works projects RM'000
For the year ended 30 June 2026	
Revenue recognised that was included in the contract liabilities	–
For the year ended 30 June 2025	
Revenue recognised that was included in the contract liabilities	–

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Civil works projects

The Group receives a portion of the contract amount of the civil works projects in advance and the contract will be settled in the amount of actual billing in certain contracts entered during the years ended 30 June 2026 and 2025, this will give rise to contract liabilities at the start of a contract.

The significant increase in contract liabilities during the current year resulted from the increase in newly commenced contracts, for which advance payments were received from customers prior to the recognition of revenue.

23. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	2026		2025	
	Present value RM'000	**Minimum lease payments RM'000**	Present value RM'000	Minimum lease payments RM'000
Within one year	**569**	**597**	546	612
Within a period of more than one year but not exceeding two years	**142**	**146**	470	492
Within a period of more than two years but not exceeding five years	**–**	**–**	104	110
	711	**743**	1,120	1,214
Less: total future interest expenses		**(32)**		(94)
Present value of lease liabilities		**711**		1,120

The present value of future lease payments are analysed as:

	2026 RM'000	2025 RM'000
Current liabilities	**569**	546
Non-current liabilities	**142**	574
	711	1,120

The weighted average incremental borrowing rates applied to lease liabilities range from 5.58% to 8.00% (2025: 5.83% to 9.00%).

24. AMOUNT DUE TO A DIRECTOR

The amount due to a director, Mr. Tang Zhiming is unsecured, non-interest bearing and repayable on demand.

25. BANK AND OTHER BORROWINGS

	2026 RM'000	2025 RM'000
Secured:		
Term loans (Notes (b) and (c))	**1,202**	1,536
Factoring loan (Note (d))	**1,200**	286
Banker's acceptances	**–**	1,129
	2,402	2,951
The carrying amounts of the borrowings, excluding those with a repayment on demand clause, are repayable:		
– within one year	**1,900**	2,090
– within a period of more than one year but not exceeding two years	**–**	275
	1,900	2,365
The carrying amounts of borrowings that contain repayment on demand clause (shown under current liabilities) but repayable:		
– within one year	**76**	86
– within a period of more than one year but not exceeding two years	**80**	93
– within a period of more than two years but not exceeding five years	**305**	322
– more than five years	**41**	85
	502	586
	2,402	2,951
Less: amount due within one year included in current liabilities	**(2,402)**	(2,676)
Amount included in non-current liabilities	**–**	275

25. BANK AND OTHER BORROWINGS – CONTINUED

Bank and other borrowings comprise:

	Maturity date	Interest rate	2026 RM'000	2025 RM'000
Floating-rate borrowings (Note (a)):				
Secured term loans (Note (b))	February 2026-February 2029	9.89%-10.61%	**700**	950
Secured term loans (Note (c))	October 2031	7.10%	**502**	586
			1,202	1,536
Fixed-rate borrowings:				
Secured factoring loan (Note (d))	April 2026	4.00%	**–**	286
Secured factoring loan (Note (d))	July 2026	4.00%	**1,200**	–
Secured banker's acceptances (Note (c))	August 2025-September 2025	5.04%	**–**	1,129
			1,200	1,415
Total borrowings			**2,402**	2,951

Notes:

(a) The floating-rate borrowings carry interest at the People's Bank of China Loan Prime Rate ("**LPR**") plus 6.79%-7.61% and the CIMB Bank Berhad Base Lending Rate ("**BLR**") plus 0.5%.

(b) As at 30 June 2026, the above term loans of RM700,000 are guaranteed by a director of a subsidiary (2025: RM950,000).

(c) As at 30 June 2026 and 2025, the banking facilities granted to the Group were secured by the following:

i. Certain freehold land with net carrying amount of RM4,689,000 as at 30 June 2025 (Note 21);

ii. Right-of-use assets included leasehold land and buildings in total of RM1,563,000 as at 30 June 2026 (2025: RM1,581,000) (Note 14);

iii. Pledged bank deposits in total of RM7,920,000 as at 30 June 2026 (2025: RM6,767,000) (Note 20).

(d) As at 30 June 2026 and 2025, factoring loan represented amount obtained in factoring transaction from a financial institution. The corresponding financial assets are included in the trade receivables (Note 18).

(e) As at 30 June 2026, the Group has undrawn banking facilities of RM36,738,000 (2025: RM22,987,000).

25. BANK AND OTHER BORROWINGS *(Continued)*

Loan covenants

In respect of bank borrowings with carrying amount of RM502,000 as at 30 June 2026 (2025: RM1,715,000), the Group is required to comply with the following financial covenant:

- A subsidiary's gearing ratio of external borrowing to the sum of tangible net worth and net intra-group borrowings shall not be more than 3:1.

The Group has complied with the relevant covenant as at the end of the reporting period.

26. PROMISSORY NOTES

On 8 July 2025, a direct wholly-owned subsidiary of the Company (the "**Issuer**") has entered into agreement with an independent third party (the "**Subscriber**"). The Subscriber would subscribe for the promissory notes to be issued by the Issuer with an aggregated principal amount up to USD9,500,000. The first tranche promissory note of USD2,500,000 (the "**Tranche 1**") was issued in July 2025 and the remaining promissory note of USD7,000,000 (the "**Tranche 2**") was issued in December 2025. The promissory notes bear interest at 24% per annum and are repayable no later than July 2026 for Tranche 1, no later than December 2026 for 30% of Tranche 2 and no later than December 2027 for the remaining 70% of Tranche 2.

The promissory notes are secured by a charge on the entire share capital of TBKS Holding Sdn. Bhd., an indirect wholly-owned subsidiary of the Company held through the Issuer.

The effective interest rate for Tranche 1 and Tranche 2 are 24% and 24% respectively.

	2026 RM'000	2025 RM'000
At 1 July	**–**	–
Issuance of promissory notes	**39,645**	–
Interest expense (Note 8)	**5,564**	–
Interest paid	**(4,804)**	–
Exchange realignment	**(851)**	–
At 30 June	**39,554**	–
Less: amount due within one year included in current liabilities	**(19,552)**	–
Amounts shown under non-current liabilities	**20,002**	–

27. DEFERRED TAX ASSETS (LIABILITIES)

Details of the deferred tax assets (liabilities) recognised in the consolidated statement of financial position and movements during the years ended 30 June 2026 and 2025 are as follows:

	Accelerated depreciation and industrial building allowances RM'000	Tax losses RM'000	Total RM'000
At 1 July 2024	(6)	19	13
Charged to profit or loss (Note 12)	(5)	(19)	(24)
At 30 June 2025	(11)	–	(11)
Charged to profit or loss (Note 12)	6	–	6
At 30 June 2026	**(5)**	**–**	**(5)**

At 30 June 2026 and 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC. In the opinion of the Directors, the Group is able to control the temporary differences, and it is probable that the temporary difference will not be reversed in the foreseeable future.

As at 30 June 2026, the Group has unused tax losses arising in Hong Kong of approximately RM33,549,000 (2025: RM30,549,000), in Malaysia of approximately RM385,000 (2025: RM345,000) and in the PRC of approximately RM19,213,000 (2025: RM15,142,000), which are available for offsetting against its future taxable profits for an indefinite period, a period of ten years and a period of five years respectively.

The resulting potential deferred tax assets arising in Hong Kong of approximately RM5,536,000 (2025: RM5,041,000), in Malaysia of approximately RM93,000 (2025: RM83,000) and in the PRC of approximately RM3,657,000 (2025: RM2,920,000) have not been recognised due to the unpredictability of future profit streams.

27. DEFERRED TAX ASSETS (LIABILITIES) *(Continued)*

Included in tax losses are losses of approximately RM19,598,000 (2025: RM15,487,000) with expiry dates as disclosed in the following table, other losses may be carried forward immediately.

	2026 RM'000	2025 RM'000
2028	**5,106**	5,106
2029	**4,061**	4,061
2030	**5,975**	5,975
2031	**4,071**	–
2033	**231**	231
2034	**43**	43
2035	**71**	71
2036	**40**	–
	19,598	15,487

28. SHARE CAPITAL

	Number '000	Amount HK$'000	Amount RM'000
Ordinary shares of par value of HK$0.01 each			
Authorised:			
At 1 July 2024, 30 June 2025 and **30 June 2026**	**10,000,000**	**100,000**	**53,000**
Issued and fully paid:			
At 1 July 2024, 30 June 2025 and **30 June 2026**	**1,000,000**	**10,000**	**5,300**

29. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30 June 2026, nor has any dividend been proposed since the end of reporting period (2025: Nil).

30. SHARE-BASED PAYMENT

Share option scheme

Pursuant to the written resolutions of all the shareholders passed on 5 September 2019, the Company adopted the share option scheme of the Company (the "**Share Option Scheme**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to enable the board of directors to grant options to employees, any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contributes to the development and growth of the Group or any invested entity (the "**Eligible Persons**") as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Group.

Subject to the provisions in the Share Option Scheme, the board of directors (the "**Board**") may grant options at any time and from time to time within a period of 10 years commencing from the date of adoption of the Share Option Scheme at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK$1.00 to grant option to the Eligible Persons. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the total number of shares in issue from time to time.

The total number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 100,000,000 shares, being 10% of the total number of shares (assuming no options are granted under the Share Option Scheme) in issue on the Listing Date (the "**Scheme Limit**") unless approved by its shareholders pursuant to the paragraph below. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company shall not be counted for the purpose of calculating the Scheme Limit.

The Company may seek separate approval of the Company's shareholders in general meeting for refreshing the Scheme Limit provided that such limit as refreshed shall not exceed 10% of the total number of shares (assuming no options are granted under the Share Option Scheme) in issue as at the date of the approval of the Company's shareholders on the refreshment of the Scheme Limit. Options previously granted under the Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme of the Company) will not be counted for the purpose of calculating the limit as refreshed. Subject to the rules of the Share Option Scheme, option may be exercised in whole or in part by the grantee at any time before the expiry of the period to be determined and notified by the Board to the grantee which in any event shall not be longer than 10 years commencing on the date of the offer letter and expiring on the last day of such 10-year period.

30. SHARE-BASED PAYMENT *(Continued)*

Share option scheme *(Continued)*

On 12 May 2021, a total of 10,000,000 share options were granted to two employees of the Group with exercise price of HK$0.35 per share. The closing price at the date of grant was HK$0.34 per share. The Company has not granted any share options during the years ended 30 June 2026 and 2025.

Details of the share options granted by the Company were as follows:

Category of participant	Date of grant	Exercise price per share HK$	Exercise price per share RM	Exercise period	Vesting period	Outstanding at 1 July 2024, 30 June 2025	Lapsed during the year	Outstanding at 30 June 2026
Employees	12 May 2021	0.35	0.19	12 May 2021 to 11 May 2026	N/A	10,000,000	(10,000,000)	–
						10,000,000		

There was no exercise or lapse of share options during the year ended 30 June 2025. 10,000,000 share options were exercisable as at 30 June 2025 and all the outstanding share options lapsed on 11 May 2026.

According to the rules of the Share Option Scheme, the options accepted by the grantees can be exercised in whole or in part at any time commencing on 12 May 2021. Based on this rule, all the share options can be exercised as at 30 June 2021 and therefore the fair value of share options was recognised in full for the year ended 30 June 2021.

No equity-settled share-based payment expenses were recognised during the years ended 30 June 2026 and 2025.

31. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2026 RM'000	2025 RM'000
NON-CURRENT ASSETS		
Interests in subsidiaries	**34,522**	35,848
CURRENT ASSETS		
Prepayments	**67**	70
Amounts due from subsidiaries	**10,477**	10,404
Cash and cash equivalents	**83**	433
	10,627	10,907
CURRENT LIABILITIES		
Accruals and other payables	**2,765**	1,774
Amounts due to subsidiaries	**16,885**	14,880
	19,650	16,654
NET CURRENT LIABILITIES	**(9,023)**	(5,747)
NET ASSETS	**25,499**	30,101
CAPITAL AND RESERVES		
Share capital	**5,300**	5,300
Reserves	**20,199**	24,801
TOTAL EQUITY	**25,499**	30,101

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 29 September 2026 and are signed on its behalf by:

TAN HUN TIONG
DIRECTOR

TAN HAN PENG
DIRECTOR

31. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(Continued)*

Movement in the Company's reserves

	Share premium RM'000	Share option reserve RM'000	Contributed surplus RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 July 2024	51,793	845	83,285	7,571	(57,373)	86,121
Loss for the year	–	–	–	–	(59,628)	(59,628)
Other comprehensive expenses	–	–	–	(1,692)	–	(1,692)
At 30 June 2025	51,793	845	83,285	5,879	(117,001)	24,801
Loss for the year	–	–	–	–	(3,420)	(3,420)
Other comprehensive expense	–	–	–	(1,182)	–	(1,182)
Share options lapsed	–	(845)	–	–	845	–
At 30 June 2026	**51,793**	**–**	**83,285**	**4,697**	**(119,576)**	**20,199**

Contributed surplus of the Company represents the difference between the net asset value of the subsidiaries acquired and the nominal value of the shares of the Company issued in exchange thereof pursuant to group reorganisation.

32. CATEGORIES OF FINANCIAL INSTRUMENTS

	2026 RM'000	2025 RM'000
Financial assets		
Financial assets at amortised cost		
Trade and other receivables	**36,032**	60,523
Amount due from an associate	**–**	98
Pledged time deposits	**7,920**	6,767
Cash and cash equivalents	**73,606**	25,266
	117,558	92,654
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**57,886**	65,650
Amount due to a director	**586**	540
Bank and other borrowings	**2,402**	2,951
Lease liabilities	**711**	1,120
Promissory notes	**39,554**	–
	101,139	70,261

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, amount due from an associate, pledged time deposits, cash and cash equivalents, trade and other payables, amount due to a director, bank and other borrowings, promissory notes and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk, and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(a) Market risk

(i) Currency risk

The Group is exposed to foreign currency risk primarily through transactions that are denominated in currencies other than the functional currency of each of the Group's entities. The currency relevant to this risk is primarily USD.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which it relates.

	2026 RM'000	2025 RM'000
Assets denominated in USD		
Cash and cash equivalents	**50,886**	16,812
Liabilities denominated in USD		
Promissory notes	**39,554**	–

If the exchange rate of USD against RM had appreciated/depreciated by 5%, loss for the year would decrease/increase by RM567,000 (2025: RM841,000), respectively.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Market risk *(Continued)*

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to pledged time deposits (see Note 20), fixed-rate bank and other borrowings (see Note 25 for details of these borrowings), promissory notes (see Note 26 for details) and lease liabilities (see Note 23 for details). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see Note 20 for details), variable-rate bank borrowings (see Note 25 for details). The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and the LPR and BLR arising from the Group's borrowings. The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

Total interest income from financial assets that are measured at amortised cost is as follows:

	2026 RM'000	2025 RM'000
Interest income under effective interest method:		
Financial assets at amortised cost	**1,197**	616

Interest expense on financial liabilities not measured at FVTPL:

	2026 RM'000	2025 RM'000
Financial liabilities at amortised cost	**5,880**	470

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points increase or decrease in interest rate for variable-rate bank borrowings are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 50 basis points higher/lower for variable-rate bank borrowings and all other variables were held constant, the post-tax loss for the year ended 30 June 2026 would increase/decrease by approximately RM6,000/RM6,000 (2025: RM8,000/RM8,000).

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables, contract assets, amount due from an associate and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment are summarised as below:

Trade receivables and contract assets

At the end of each reporting period, the Group has concentration of credit risk as 28.9% (2025: 26.9%) and 81.9% (2025: 78.7%) of the Group's total trade receivables was due from the Group's top customer and the top five customers, respectively.

The Group measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime ECLs. Except for balances are subject to individual evaluation, which are assessed for impairment individually, the ECLs on remaining trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor, current market condition in relation to each debtor's exposure. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

The Group carried out monitoring procedures to ensure that follow-up actions has been taken to recover those overdue debts. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

In addition, the Group performs impairment assessment under ECL model on trade receivables and contract assets with significant balances and credit-impaired individually and/or collectively. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped based on aging of outstanding balances. Impairment loss of approximately RM22,930,000 (2025: RM14,075,000) and reversal of impairment loss of approximately RM3,166,000 (2025: impairment loss of approximately RM3,695,000) are recognised in respect of trade receivables and contract assets during the year. Details of the quantitative disclosures are set out below in this note.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk *(Continued)*

Other receivables

The Group's other receivables include other receivables in the consolidated statement of financial position.

The Group considers that other receivables, excluded those credit-impaired, have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on other receivables is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience, past collection history, current creditworthiness, and adjusted for forward-looking factors in estimating the probability of default of these financial assets, as well as the loss upon default in each case.

For the years ended 30 June 2026 and 2025, the Group assessed the ECL for other receivables and impairment loss of approximately RM441,000 (2025: reversal of impairment loss of approximately RM249,000) is recognised during the year. Details of the quantitative disclosures are set out below in this note.

Amount due from an associate

The Group regularly monitors the business performance of the associate. The Group's credit risk in this balance is mitigated through the value of the assets held by the entity and the power to participate or jointly control its relevant activities. The management believes that there has been no significant increase in credit risk of this amount since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 30 June 2026 and 2025, the Group recognised reversal of impairment loss of approximately RM2,000 (2025: impairment loss of approximately RM2,000) during the year.

Balances with a financial institution

As at the end of the reporting period, the Group has maintained balances in the investment account of a privately held financial institution based in Malaysia. This financial institution holds a license to carry out money-broking business in Malaysia. The impairment loss was calculated in accordance with IFRS 9 with reference to the market-based credit risk indicators. During the year ended 30 June 2026 and 2025, the Group recognised impairment loss of approximately RM802,000 (2025: reversal of impairment loss of approximately RM86,000) in respect of the bank balances with this financial institution.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk *(Continued)*

Pledged bank deposits/cash and cash equivalents

Credit risk on pledged bank deposits/cash and cash equivalents is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for pledged bank deposits/cash and cash equivalents by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on pledged bank deposits/cash and cash equivalents is considered to be insignificant and therefore no loss allowance was recognised/to specify the amount of impairment made.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL - not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL - not credit-impaired	12m ECL
Doubtful	Amount is >30 days past due or there have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit-impaired	Lifetime ECL - not credit-impaired
Loss	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk *(Continued)*

The table below details the credit risk exposure of the Group's financial assets, which are subject to ECL assessment.

Financial assets at amortised costs	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	2026 Gross carrying amount RM'000	2025 Gross carrying amount RM'000
Trade receivables	18	N/A	Low risk	Lifetime ECL (collective assessment)	**2,536**	63,150
			Loss	Lifetime ECL (individual assessment)	**69,202**	11,796
					71,738	74,946
Contract assets	19	N/A	Low risk	Lifetime ECL (collective assessment)	**12,653**	37,747
			Loss	Lifetime ECL (individual assessment)	**3,278**	3,896
					15,931	41,643
Other receivables	18	N/A	Low risk	12m ECL	**23,926**	21,013
Amount due from an associate	17	N/A	Low risk	12m ECL	**–**	100
Balances with a financial institution	20	N/A	Low risk	12m ECL	**50,869**	17,119
Bank balances	20	Aaa – Baa3	N/A	12m ECL	**23,821**	8,433
Pledged bank deposits	20	A3	N/A	12m ECL	**7,920**	6,767

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk *(Continued)*

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its construction operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired). Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of trade receivables of approximately RM69,202,000 (2025: RM11,796,000) and contract assets of approximately RM3,278,000 (2025: RM3,896,000) as at 30 June 2026 were assessed individually.

As at 30 June 2026	Weighted average lifetime ECL rate	Gross carrying amount RM'000	Lifetime ECLs RM'000	Net carrying amount RM'000
Trade receivables				
Collective assessment				
Not past due	1.58%	2,222	(35)	2,187
Past due				
1-90 days	23.53%	85	(20)	65
over 90 days	43.67%	229	(100)	129
		2,536	(155)	2,381
Contract assets				
Collective assessment	6.09%	12,653	(770)	11,883

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk *(Continued)*

As at 30 June 2025	Weighted average lifetime ECL rate	Gross carrying amount RM'000	Lifetime ECLs RM'000	Net carrying amount RM'000
Trade receivables				
Collective assessment				
Not past due	6.24%	4,842	(302)	4,540
Past due				
1-90 days	26.11%	14,377	(3,754)	10,623
over 90 days	43.15%	43,931	(18,956)	24,975
		63,150	(23,012)	40,138
Contract assets				
Collective assessment	6.71%	37,747	(2,533)	35,214

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

As at 30 June 2026, the Group provided RM155,000 and RM770,000 (2025: RM23,012,000 and RM2,533,000) impairment allowance for trade receivables and contract assets respectively, based on collective assessment. As at 30 June 2026, impairment allowance of RM58,529,000 and RM2,443,000 (2025: RM11,796,000 and RM3,896,000) were made on debtors with significant balances or credit-impaired debtors on trade receivables and contract assets respectively.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk *(Continued)*

As at 30 June 2026 and 2025, the loss allowance provision in respect of trade receivables, contract assets, other receivables, amount due from an associate and balances with a financial institution reconciles to the opening loss allowance provision as follows:

	Trade receivables RM'000	Contract assets RM'000	Other receivables RM'000	Amount due from an associate RM'000	Balances with a financial institution RM'000	Total RM'000
At 1 July 2024	22,987	3,045	876	–	398	27,306
Impairment loss reversed	(5,023)	(1,631)	(273)	–	(86)	(7,013)
Impairment loss recognised	19,098	5,326	24	2	–	24,450
Translation adjustments	(2,254)	(311)	1	–	(1)	(2,565)
At 30 June 2025	34,808	6,429	628	2	311	42,178
Write-offs	–	–	(2)	–	–	(2)
Impairment loss reversed	(6,729)	(6,138)	(447)	(2)	(311)	(13,627)
Impairment loss recognised	29,659	2,972	888	–	1,113	34,632
Translation adjustments	946	(50)	1	–	–	897
At 30 June 2026	58,684	3,213	1,068	–	1,113	64,078

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. The liquidity risk management strategy adopted by the Group is to measure and forecast its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(c) Liquidity risk *(Continued)*

The table includes both interest and principal cash flows, as follows:

	Interest rate RM'000	Carrying amount RM'000	Total contractual undiscounted cash flows RM'000	Within 1 year or repayable on demand RM'000	More than 1 year but less than 2 years RM'000	More than 2 years but less than 5 years RM'000
30 June 2026						
Trade and other payables	–	57,886	57,886	57,886	–	–
Lease liabilities	5.58%-8.00%	711	743	597	146	–
Promissory notes	24.00%	39,554	50,007	18,029	31,978	–
Amount due to a director	–	586	586	586	–	–
Bank and other borrowings – fixed rate	4.00%	1,200	1,200	1,200	–	–
Bank borrowings – floating rate (Note)	7.10%-10.61%	1,202	1,374	1,374	–	–
		101,139	111,796	79,672	32,124	–

	Interest rate RM'000	Carrying amount RM'000	Total contractual undiscounted cash flows RM'000	Within 1 year or repayable on demand RM'000	More than 1 year but less than 2 years RM'000	More than 2 years but less than 5 years RM'000
30 June 2025						
Trade and other payables	–	65,650	65,650	65,650	–	–
Lease liabilities	5.83%-9.00%	1,120	1,214	612	492	110
Amount due to a director	–	540	540	540	–	–
Bank and other borrowings – fixed rate	4.00%-5.04%	1,415	1,437	1,437	–	–
Bank borrowings – floating rate (Note)	7.35%-10.61%	1,536	1,741	1,453	288	–
		70,261	70,582	69,692	780	110

Note: Bank borrowings with a repayment on demand clause are included in the "Within 1 year or repayable on demand" time band in the above maturity analysis. As at 30 June 2026, the aggregate carrying amounts of these bank borrowings amounted to RM502,000 (2025: RM586,000). Taking into account the Group's financial position, the management does not believe that it is probable that the banks will exercise their discretionary rights to demand and immediate repayment. The management believes that such bank borrowings will be repaid seven years after the end of the reporting period in accordance with the scheduled repayment dates set out in the borrowing agreements, details of which are set out in the table below:

	Weighted average rate	Less than 1 year RM'000	1-2 years RM'000	2-5 years RM'000	Over 5 years RM'000	Total undiscounted cash outflows RM'000	Carrying amount RM'000
Bank borrowings-Floating rate							
30 June 2026	7.10%	126	126	379	43	674	502
30 June 2025	7.35%	92	105	402	115	714	586

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(d) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active markets are determined with reference to quoted market bid prices and ask prices respectively.

The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values:

	2026		2025	
	Gross carrying amount RM'000	**Fair value RM'000**	Gross carrying amount RM'000	Fair value RM'000
Financial liabilities				
Promissory notes	**39,554**	**39,554**	–	–

34. RETIREMENT BENEFITS SCHEME

The employees of the Group's subsidiaries in the PRC are members of the state-managed defined contribution retirement benefits scheme operated by the government of the PRC. The subsidiaries in the PRC are required to contribute a certain percentage of the payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

The Group also operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000.

As required by the Employees Provident Fund Act 1991 of Malaysia, the Group makes contributions to the federal statutory body, Employees Provident Fund ("**EPF**"), which manages the compulsory savings plan and retirement planning for employees in Malaysia. Under the EPF Scheme, the employer and its employees are each required to make contributions to the plan at 11% of the employees' relevant income.

34. RETIREMENT BENEFITS SCHEME *(Continued)*

Contributions to each of the PRC, MPF and EPF Retirement Schemes (collectively the "**Schemes**") by the Group and employees are calculated at certain percentages of employees' monthly salaries stipulated by the relevant government authorities.

The Group's contributions under the above-mentioned defined contribution retirement plans had no forfeited contributions that may be used to reduce the existing level of contributions.

The total expense recognised in profit or loss of approximately RM1,785,000 (2025: approximately RM1,702,000) represents contributions paid or payable to these plans by the Group at rates specified in the rules of the plans. As at 30 June 2026, approximately RM230,000 (2025: RM173,000) contributions due in respect of the year ended 30 June 2026 had not been paid over to the plans. The amount were paid subsequent to the end of the reporting period.

35. INTERESTS IN SUBSIDIARIES

Details of the subsidiaries directly or indirectly held by the Company at the end of the reporting periods are set out below:

Name of subsidiaries	Place and date of Incorporation	Place of operation	Issued and paid-up capital/registered capital	Proportion of ownership interest held by the Company		Proportion of voting power held by the Company		Principal activities
				2026	2025	2026	2025	
Directly held:								
TBKS Investments (B.V.I.) Ltd	British Virgin Islands ("**BVI**") 17 July 2018	BVI	USD100	100%	100%	100%	100%	Investment holding
Union Top Investment Holding Limited	BVI 1 December 2020	BVI	USD1,000	100%	100%	100%	100%	Investment holding
Sheen Bright Engineering Holding Limited	BVI 25 May 2021	BVI	USD1,000	100%	100%	100%	100%	Investment holding
Century Tranquil Investment Holding Limited (Note b)	BVI 9 March 2022	BVI	USD1,000	-	100%	-	100%	Investment holding
Grand Winner Investment Holding Limited (Note b)	BVI 15 October 2021	BVI	USD1,000	-	100%	-	100%	Investment holding
Mandala Petroleum Limited (Note b)	BVI 7 June 2024	BVI	USD100	-	51%	-	51%	Dormant

35. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place and date of Incorporation	Place of operation	Issued and paid-up capital/registered capital	Proportion of ownership interest held by the Company		Proportion of voting power held by the Company		Principal activities
				2026	2025	2026	2025	
Indirectly held:								
TBKS Holding Sdn. Bhd.	Malaysia 25 October 2018	Malaysia	RM10,000	100%	100%	100%	100%	Investment holding
TBKS Hong Kong Limited	Hong Kong 26 June 2018	Hong Kong	HK$10,000	100%	100%	100%	100%	Treasury function and investment function
Tan Bock Kwee & Sons Sdn. Bhd.	Malaysia 2 May 1975	Malaysia	RM1,200,000	100%	100%	100%	100%	Civil and structural works contractor
Prestasi Senadi Sdn. Bhd.	Malaysia 4 January 1993	Malaysia	RM800,000	100%	100%	100%	100%	Civil and structural works contractor and hire of machinery
Union Top Energy (Hong Kong) Limited	Hong Kong 30 December 2020	Hong Kong	HK$10,000	100%	100%	100%	100%	Trading of oil and related products
港聯高能源(海南)有限公司 Gangliangao Energy (Hainan) Company Limited ("**Gangliangao Hainan**")*#	PRC 29 March 2021	PRC	Issued and paid-up capital: RMB12,496,500 registered capital: RMB13,000,000	100%	100%	100%	100%	Trading of oil and related products
Sheen Bright Engineering Limited	Hong Kong 11 January 2021	Hong Kong	HK$1	100%	100%	100%	100%	Investment holding
港聯高能源(青島)有限公司 Gangliangao Energy (Qingdao) Company Limited ("**Gangliangao Qingdao**")*	PRC 10 September 2021	PRC	Issued and paid-up capital: RMB3,100,000 registered capital: RMB10,000,000	100%	100%	100%	100%	Trading of oil and related products
聯高能源(山東)有限公司 Liangao Energy (Shandong) Company Limited ("**Liangao Shandong**")*#	PRC 9 October 2021	PRC	Issued and paid-up capital: USD1,522,525 registered capital: USD40,000,000	100%	100%	100%	100%	Trading of oil and related products
泰科華岳科技工程(青島)有限公司 Taikehuayue Technology & Engineering (Qingdao) Company Limited ("**Taikehuayue**")*#	PRC 11 March 2022	PRC	Issued and paid-up capital: USD999,800 registered capital: USD40,000,000	100%	100%	100%	100%	Civil and structural works contractor
中盛輝(北京)工程技術有限公司 Zhongshenghui (Beijing) Engineering Technology Company Limited ("**Zhongshenghui**")*#	PRC 27 May 2022	PRC	Issued and paid-up capital: RMBNil registered capital: RMB20,000,000	100%	100%	100%	100%	Dormant
青島鑫弘耀建設科技有限公司 Qingdao Xinhongyao Construction Technology Company Limited ("**Xinhongyao Construction**")*	PRC 16 March 2021	PRC	Issued and paid-up capital: RMB6,846,886 registered capital: RMB50,000,000	75%	75%	75%	75%	Provision of construction and renovation works projects

35. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place and date of Incorporation	Place of operation	Issued and paid-up capital/registered capital	Proportion of ownership interest held by the Company		Proportion of voting power held by the Company		Principal activities
				2026	2025	2026	2025	
Indirectly held: *(Continued)*								
Century Tranquil (Hong Kong) Investment Holding Limited (Note b)	Hong Kong 13 April 2022	Hong Kong	HK$10,000	–	100%	–	100%	Dormant
Grand Winner (Hong Kong) Investment Holding Limited (Note b)	Hong Kong 13 April 2022	Hong Kong	HK$10,000	–	100%	–	100%	Investment holding
聯高能源(廣州)有限公司 Liangao Energy (Guangzhou) Co., Limited ("**Liangao Guangzhou**")*#	PRC 16 August 2022	PRC	Issued and paid-up capital: HK$20,000,000	100%	100%	100%	100%	Dormant
Across Corporate Development Limited (Note b)	BVI 1 June 2022	BVI	USD1,000	–	100%	–	100%	Dormant
Lead Top Investment Holding Limited (Note b)	BVI 9 June 2022	BVI	USD1,000	–	100%	–	100%	Dormant
Union Top Overseas Limited (Note a)	Hong Kong 9 September 2025	Hong Kong	HK$10,000	100%	–	100%	–	Dormant
聯高海外控股有限公司 Union Top Overseas Holding Limited (Note a)	BVI 18 November 2025	BVI	HK$8	100%	–	100%	–	Dormant
TBKS Holding Sdn. Bhd Timor, Unipessoal. Lda (Note a)	Timor Leste 18 March 2026	Timor Leste	USD5,000	100%	–	100%	–	Dormant

* The English name is for identification only. The official name of the Company is in Chinese.

The legal entity is wholly-foreign owned enterprise established in the PRC.

None of the subsidiaries had issued any debt securities at the end of the year or any time during the year.

Notes:

(a) Newly set up during the year ended 30 June 2026.
(b) Deregistered during the year ended 30 June 2026.

36. NON-CONTROLLING INTERESTS

Details of non-wholly owned subsidiaries that have material non-controlling interests

Name of Subsidiary	Place of incorporation and place of operation	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2026	2025	**2026 RM'000**	2025 RM'000	**2026 RM'000**	2025 RM'000
Xinhongyao Construction	PRC	**75%**	75%	**(2,171)**	(2,826)	**(8,427)**	(6,078)
Individually immaterial subsidiaries with non-controlling interest				**–**	(9)	**–**	(9)
				(2,171)	(2,835)	**(8,427)**	(6,087)

Xinhongyao Construction, a 75% owned subsidiary of the Group, has material non-controlling interests ("**NCI**").

Summarised financial information in relation to Xinhongyao Construction, before intra-group eliminations, is presented below together with amounts attributable to NCI:

	2026 RM'000	2025 RM'000
NCI percentage	**25%**	25%
Non-current assets	**23**	178
Current assets	**7,826**	20,900
Non-current liabilities	**–**	(275)
Current liabilities	**(41,558)**	(45,114)
Net liabilities	**(33,709)**	(24,311)
Deficit attributable to owners of the Company	**(25,282)**	(18,233)
NCI of Xinhongyao Construction	**(8,427)**	(6,078)

36. NON-CONTROLLING INTERESTS *(Continued)*

	2026 RM'000	2025 RM'000
Revenue	**5,247**	15,847
Loss for the year	**(8,686)**	(11,193)
Loss for the year attributable to owners of the Company	**(6,515)**	(8,367)
Loss for the year attributable to NCI of Xinhongyao Construction	**(2,171)**	(2,826)
Loss for the year	**(8,686)**	(11,193)

	2026 RM'000	2025 RM'000
Other comprehensive (expense) income attributable to owners of the Company	**(534)**	1,304
Other comprehensive (expense) income allocated to NCI of Xinhongyao Construction	**(178)**	435
Other comprehensive (expense) income for the year	**(712)**	1,739
Total comprehensive expense attributable to owners of the Company	**(7,049)**	(7,063)
Total comprehensive expense allocated to NCI of Xinhongyao Construction	**(2,349)**	(2,391)
Total comprehensive expense for the year	**(9,398)**	(9,454)

	2026 RM'000	2025 RM'000
Net cash (outflow) inflow from operating activities	**(1,185)**	540
Net cash inflow (outflow) from financing activities	**384**	(1,748)
Net cash outflow	**(801)**	(1,208)

37. RELATED PARTY TRANSACTIONS

(a) Other than disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with the related party during the years:

Name of related party	Relationship	Nature of transaction	2026 RM'000	2025 RM'000
OME Diversified	Associate	Sub-contracting charges	–	510
Faith General Contractors Sdn. Bhd.	Related party*	Lease payment	480	480
Nostalgia Cemerlang Sdn. Bhd.	Related party*	Short-term lease payment	48	48

* Mr. Tan Hun Tiong and Mr. Tan Han Peng were the Directors and beneficial shareholders.

The related party transactions described above were carried out based on negotiated terms and conditions agreed with the related party.

(b) Compensation of key management personnel

The key management comprises all the Directors, details of their remuneration are disclosed in Note 10 to the consolidated financial statements.

The remuneration of the Directors are determined by the remuneration committee having regard to the performance of individuals and market trends.

38. PERFORMANCE GUARANTEES

As at 30 June 2026, performance guarantees of RM6,866,000 (2025: RM5,702,000) were given by banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under certain contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance guarantees have been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such banks accordingly. The performance guarantees will be released upon completion of the contract works. The performance guarantees were granted under the banking facilities granted to the Group as detailed in Note 25 to these consolidated financial statements.

In the opinion of the management of the Group, they do not consider it is probable that a claim will be made against the Group in respect of the above performance guarantees.

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RM'000	Bank and other borrowings RM'000	Promissory notes RM'000	Amount due to a director RM'000	Total RM'000
At 1 July 2025	1,120	2,951	–	540	4,611
Changes from cash flows:					
Repayment of capital element of lease liabilities	(599)	–	–	–	(599)
Repayment of interest element of lease liabilities	(74)	–	–	–	(74)
Proceeds of issuance of promissory notes	–	–	39,645	–	39,645
Interest paid on promissory notes	–	–	(4,804)	–	(4,804)
Advances from a director	–	–	–	46	46
Interest paid on bank and other borrowings	–	(242)	–	–	(242)
Proceeds from bank and other borrowings	–	1,325	–	–	1,325
Repayment of bank and other borrowings	–	(1,997)	–	–	(1,997)
Total changes from financing cash flows	(673)	(914)	34,841	46	33,300
Non-cash changes:					
Addition	190	–	–	–	190
Interest on lease liabilities	74	–	–	–	74
Interest on bank and other borrowings	–	242	–	–	242
Interest on promissory notes	–	–	5,564	–	5,564
Translation adjustments	–	123	(851)	–	(728)
Total other changes	264	365	4,713	–	5,342
At 30 June 2026	711	2,402	39,554	586	43,253

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

Reconciliation of liabilities arising from financing activities *(Continued)*

	Lease liabilities RM'000	Bank and other borrowings RM'000	Amount due to a director RM'000	Total RM'000
At 1 July 2024	826	3,963	–	4,789
Changes from cash flows:				
Repayment of capital element of lease liabilities	(928)	–	–	(928)
Repayment of interest element of lease liabilities	(39)	–	–	(39)
Advances from a director	–	–	540	540
Interest paid on bank and other borrowings	–	(431)	–	(431)
Proceeds from bank and other borrowings	–	5,637	–	5,637
Repayment of bank and other borrowings	–	(6,437)	–	(6,437)
Total changes from financing cash flows	(967)	(1,231)	540	(1,658)
Non-cash changes:				
Addition	1,244	–	–	1,244
Interest on lease liabilities	39	–	–	39
Interest on bank and other borrowings	–	431	–	431
Translation adjustments	(22)	(212)	–	(234)
Total other changes	1,261	219	–	1,480
At 30 June 2025	1,120	2,951	540	4,611

40. CAPITAL MANAGEMENT

Capital is equivalent to issued capital and reserves attributable to the owners of the Company or total equity. The primary objectives of the Group's capital management are to ensure that it maintains strong capital base and healthy capital ratios in order to sustain its future business development and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions by meeting the internal capital requirements, optimising return to shareholders, maintaining adequate levels and optimum mix of capital. To meet these objectives, the Group may adjust the dividend payment to its shareholders, return capital to shareholders or issue new shares. No changes were made to these objectives, policies or processes during the years ended 30 June 2026 and 2025.

The Group monitors capital by actively managing the level of gearing ratio which is total debts (bank and other borrowings, promissory notes and lease liabilities) divided by total equity. The gearing ratio at the end of each reporting period was as follows:

	2026 RM'000	2025 RM'000
Total debts	**42,667**	4,065
Total equity	**38,459**	74,584
Gearing ratio	**111%**	5%

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, and of the assets, liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements is set out below:

RESULTS

	For the year ended 30 June				
	2026 RM'000	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000
Revenue	**75,398**	97,408	288,093	367,940	825,908
Cost of sales	**(73,943)**	(91,064)	(283,206)	(353,716)	(795,026)
Gross profit	**1,455**	6,344	4,887	14,224	30,882
Other income and gains and losses, net	**8,531**	(484)	1,274	4,092	2,289
Selling and distribution expenses	**(351)**	(384)	(735)	(1,519)	(1,318)
Administrative expenses	**(16,800)**	(18,349)	(20,802)	(21,100)	(16,119)
Impairment loss under expected credit loss model, net of reversal	**(21,005)**	(17,437)	(22,210)	(1,669)	(1,599)
Impairment losses of property, plant and equipment and right-of-use assets	**(1,044)**	–	–	–	–
Finance costs	**(5,880)**	(470)	(359)	(834)	(496)
Share of results of an associate	**(36)**	54	26	27	(147)
(Loss) profit before income tax expense	**(35,130)**	(30,726)	(37,829)	(6,779)	13,492
Income tax credit (expense)	**6**	(447)	(77)	(1,746)	(2,952)
(Loss) profit for the year	**(35,124)**	(31,173)	(37,906)	(8,525)	10,540
Attributable to:					
Owners of the Company	**(32,953)**	(28,338)	(32,744)	(8,718)	10,402

ASSETS AND LIABILITIES

	At 30 June				
	2026 RM'000	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000
Total assets	**142,108**	146,233	181,519	197,702	241,378
Total liabilities	**(103,649)**	(71,649)	(74,287)	(53,236)	(88,539)
Total equity	**38,459**	74,584	107,232	144,466	152,839
Attributable to:					
Non-controlling interests	**(8,427)**	(6,087)	(3,687)	1,452	1,273