



BBSB International Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code : 8610

ANNUAL REPORT **2025**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there is no other matter the omission of which would make any statement herein or this report misleading.

Contents

Corporate Information	3
Chairman's Statement	4
Management Discussion and Analysis	5
Directors and Senior Management	8
Directors' Report	13
Corporate Governance Report	25
Environmental, Social and Governance Report	45
Independent Auditor's Report	80
Consolidated Statement of Profit or Loss and Other Comprehensive Income	85
Consolidated Statement of Financial Position	86
Consolidated Statement of Changes in Equity	88
Consolidated Statement of Cash Flows	89
Notes to the Consolidated Financial Statements	91
Financial Summary	150

Corporate Information

BOARD OF DIRECTORS

Executive Director

Datuk Tan Chin Nyan (*Chairman*)
Mr. Tan Tze Tung
Ms. Tan Xin Yi

Independent Non-executive Directors

Mr. Lee Tuan Meng
Mr. Ooi Kim Chai
Ms. Norkamaliah Binti Hashim

AUDIT COMMITTEE

Mr. Lee Tuan Meng (*chairperson*)
Mr. Ooi Kim Chai
Ms. Norkamaliah Binti Hashim

REMUNERATION COMMITTEE

Mr. Ooi Kim Chai (*chairperson*)
Datuk Tan Chin Nyan
Ms. Tan Xin Yi
Mr. Lee Tuan Meng
Ms. Norkamaliah Binti Hashim

NOMINATION COMMITTEE

Mr. Ooi Kim Chai (*chairperson*)
Datuk Tan Chin Nyan
Mr. Tan Tze Tung
Mr. Lee Tuan Meng
Ms. Norkamaliah Binti Hashim

COMPANY SECRETARY

Ms. Lee Mei Yi (*FCG, HKFCG*)

AUTHORISED REPRESENTATIVES

Mr. Tan Tze Tung
Ms. Lee Mei Yi (*FCG, HKFCG*)

AUDITORS

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
25/F Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

LEGAL ADVISOR

TC & Co., Solicitors
Units 501-2, 5/F., Tai Tung Building
8 Fleming Road, Wanchai
Hong Kong

COMPLIANCE ADVISER

Lego Corporate Finance Limited
A corporation licensed to carry out type 6
(advising on corporate finance) regulated activity
under the Securities and Futures Ordinance
Room 1505, 15/F, Wheelock House
20 Pedder Street, Central
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

P. O. Box 500, Suite 210, 2nd Floor
Windward III Regatta Office Park
Grand Cayman, KY1-1106
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

B-03-32, Block B, Merchant Square
No.1 Jalan Tropicana Selatan 1, PJU 3
47410 Petaling Jaya, Selangor
Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1916, 19/F, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Services (Cayman) Limited
P. O. Box 500 Suite 210, 2nd Floor
Windward III, Regatta Office Park
Grand Cayman, KY1-1106
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road, North Point
Hong Kong

PRINCIPAL BANKERS

Ambank (M) Berhad
No. 6-1-3A, Jalan Tun Mohd Fuad 3
Taman Tun Dr Ismail
60000 Kuala Lumpur
Malaysia

Alliance Bank Malaysia Berhad
Menara Multi-Purpose, Capital Square
8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia

United Overseas Bank (Malaysia) Berhad
Level 26, UOB Plaza 1 KL
No. 7, Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

STOCK CODE

8610

DATE OF LISTING

13 January 2026

COMPANY WEBSITE

<https://bbsbholdings.com.my>

Chairman's Statement

Dear Shareholders,

The past year has been a significant and defining period for the Group. I am pleased to present our first set of financial statements following the successful listing of BBSB International Limited on the GEM of the Hong Kong Stock Exchange on 13 January 2026 (the "Listing") by way of a share offer (the "Share Offer"). The Group specialises in providing bridge engineering services as a subcontractor for large-scale transportation infrastructure engineering projects owned or initiated by the government or government-linked companies in Malaysia. With our reputation and experience in the civil engineering industry, we have strategically expanded the scope of our civil engineering works to include flood mitigation works, which share the engineering procedures with bridge engineering works.

For the year ended 31 December 2025, the Group recorded revenue of approximately RM147.2 million, representing an increase of approximately 10.7% as compared with that of approximately RM133.0 million for the year ended 31 December 2024. During the year ended 31 December 2025, the Group managed 5 ongoing projects with an estimated total contract sum value of approximately RM723.5 million.

The Listing marks an important milestone in the Group's growth journey, providing a stronger platform to enhance our market position, broaden our capabilities, and pursue new opportunities. We are also committed to maintaining high standards of corporate governance and transparency.

Looking ahead, the construction industry in Malaysia is undergoing a period of transformation, with increasing emphasis on sustainability, digitalisation and productivity enhancement. The Group remains confident with the opportunities within the construction sector in Malaysia. Supported by our established track record, experienced management team and disciplined approach to growth, we are well positioned to capitalise on opportunities and further strengthen our presence in the business segments in which we operate.

On behalf of the Board, I would like to express my sincere appreciation to our employees for their dedication and professionalism, which have been important to the Group's achievements. I would also like to thank our Shareholders for their trust and support, and my Board members for their guidance and stewardship. Finally, I extend my gratitude to our customers, bankers, suppliers and subcontractors for their continued support to the Group.

We look forward to building on this momentum and achieving new milestones together in the years ahead.

Datuk Tan Chin Nyan
Chairman and Executive Director

Hong Kong, 30 March 2026

Management Discussion and Analysis

BUSINESS REVIEW

The Group principally operates as a civil engineering contractor with more than 16 years of experience in Malaysia, specialising in the design and construction of infrastructure projects which include highways, roadworks, bridgeworks and flood mitigation works. With its extensive industry experience, the Group primarily undertakes projects for the Malaysian government and government-linked entities, such as Eastern Dispersal Link (EDL), Duta-Ulu Kelang Expressway (DUKE), Damansara-Shah Alam Elevated Expressway (DASH) and the Sungai Besi-Ulu Kelang Elevated Expressway (SUKU) Highway. The Group has also been awarded a 4-Star rating by the Construction Industry Development Board Malaysia (CIDB) and holds a Grade G7 contractor registration, which represents the highest contractor classification in Malaysia and qualifies the Group to undertake construction projects with no upper cap.

As at 31 December 2025, the Group managed 5 ongoing projects with an estimated total contract sum value of approximately RM723.5 million.

OUTLOOK

The transportation infrastructure engineering market in Malaysia, measured in terms of main contractors' revenue, is projected to maintain moderate growth in 2026, supported by the Malaysian government's continued emphasis on enhancing national transportation infrastructure and improving connectivity to facilitate broader infrastructure development. In addition, the bridge engineering segment, also measured in terms of main contractors' revenue, is expected to record moderate growth, primarily attributable to the higher level of technical complexity and engineering requirements associated with bridge construction. Such projects typically involve specialised foundation works over water, long-span structural designs and advanced material specifications, which generally require greater capital investment and technical expertise when compared with conventional highway or road engineering works.

Looking ahead, the Group remains committed to proactively pursuing new project opportunities to replenish and strengthen its order book. At the same time, the Group will continue to adopt a prudent and disciplined approach in navigating global uncertainties and evolving market conditions, thereby positioning itself to achieve sustainable growth in the coming year.

APPRECIATION

The Board would like to express its sincere gratitude to the shareholders of the Company, management team, employees, suppliers, subcontractors and customers of the Group for their support and contribution to the Group.

FINANCIAL REVIEW

Revenue

The Group derives its revenue from the provision of bridge engineering services for transportation infrastructure engineering projects and the provision of other civil engineering services for a flood mitigation project, all of which are initiated or owned by the federal government or government-linked companies in Malaysia. The Group's revenue increased from approximately RM133.0 million for the year ended 31 December 2024 ("FY2024") to approximately RM147.2 million for the year ended 31 December 2025 ("FY2025" or the "Reporting Period"), representing an increase of approximately RM14.2 million or 10.7%. Such increase is primarily attributable to the increase in revenue recognised from Project JB28, which was partially offset by the decrease in revenue recognised from (i) Project JB30, which was completed in June 2024; and (ii) Project JB27, mainly attributable to the unexpected progress delay during the period.

Cost of services

The Group's cost of services primarily consisted of subcontracting costs, costs of construction materials and supplies, labour costs and rental costs of plant and machinery. The Group's cost of services increased from approximately RM107.3 million for FY2024 to approximately RM117.5 million for FY2025, representing an increase of approximately RM10.2 million or 9.5%. Such increase is mainly attributable to the increase in revenue leading to the increase in subcontracting costs, costs of construction materials and supplies, labour costs and rental costs of plant and machinery incurred in the Group's ongoing projects during FY2025.

Management Discussion and Analysis

Gross profit and gross profit margin

The gross profit and gross profit margin of the Group for FY2025 are approximately RM29.8 million and 20.2%, respectively (FY2024: approximately RM25.7 million and 19.3%, respectively). The increase in gross profit is mainly attributable to the increase in the gross profit derived from ongoing projects with relatively higher gross profit margins, including Project JB28, in which the Group has been involved in the design process and has provided value engineering solutions to customer to improve the efficiency and cost-effectiveness of the project.

Other income and gains/(losses), net

During FY2025, the Group's other income and gains/(losses), net increased by approximately RM0.3 million to approximately RM2.7 million, as compared to approximately RM2.4 million recorded in FY2024. The increase is mainly due to the increase in other services income which include administrative charges recognised from the Group's subcontractors for the procurement of materials on behalf of the subcontractors.

Other operating expenses

The Group's other operating expenses mainly comprised staff costs and other miscellaneous operating expenses. The other operating expenses increased by approximately RM1.5 million or 12.9% from approximately RM11.6 million for FY2024 to approximately RM13.1 million for FY2025. The increase in other operating expenses is in line with the increase in revenue during FY2025 as a result of the increase in the number of employees to support the Group's business growth.

Reversal of impairment losses under expected credit loss model, net

During FY2025, the Group's reversal of impairment losses under the expected credit loss model, net decreased mainly due to the settlement of a long-outstanding progress payment by a major customer in FY2024.

Listing expenses

The Group's listing expenses amounted to approximately RM8.9 million for FY2025, of which comprised professional and other expenses in relation to the listing of shares of the Company on GEM of the Stock Exchange on 13 January 2026.

Finance costs

The Group's finance costs mainly comprised interest on bank borrowings and interest expenses on lease liabilities. The slight decrease in the Group's finance costs from approximately RM0.4 million in FY2024 to approximately RM0.2 million in FY2025 is mainly attributable to the combined effects of the decrease in interest on borrowings and this partially offset by the increase in interest expenses on lease liabilities during FY2025.

Income tax expense

With the operation of the Group based in Malaysia, the Group is subject to income tax in accordance with the relevant tax regulations of Malaysia. The Malaysia income tax is provided for at the statutory tax rate of 24.0% on the estimated assessable taxable profits for each of the reporting period. Under the current laws of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

The income tax for FY2025 is mainly resulted from the profits tax for the assessable profits during FY2025.

Profit and total comprehensive income attributable to the owners of the Company (the “Net Profit”)

The Group’s Net Profit for FY2025 was approximately RM6.3 million (FY2024: approximately RM26.2 million). Such decrease is mainly attributable to the combined effects of (i) the absence of net reversal of impairment losses recognised from a major customer in FY2025; and (ii) the listing expenses incurred in FY2025, which were partially offset by the increase in the Group’s revenue and gross profit recorded during FY2025.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL RESOURCES

The capital structure of the Company comprised mainly issued share capital and reserves.

The Group’s cash and bank balances as at 31 December 2025 amounted to approximately RM11.5 million (2024: approximately RM23.2 million) representing a decrease of approximately RM11.7 million as compared to that for FY2024. Such decrease is mainly due to the decrease in the cash generated from the operating activities during FY2025.

The Group recorded total current assets of approximately RM113.2 million as at 31 December 2025 (2024: approximately RM94.3 million) and total current liabilities of approximately RM66.3 million as at 31 December 2025 (2024: approximately RM50.4 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 1.7 times as at 31 December 2025 (2024: approximately 1.9 times).

As at 31 December 2025, the Group had borrowings and lease liabilities of approximately RM5.0 million (2024: approximately RM6.6 million).

The Group’s total equity attributable to owners of the Company was approximately RM55.1 million as at 31 December 2025 (2024: approximately RM53.8 million).

As at 31 December 2025, the Group’s gearing ratio which was calculated by dividing the total debts (being sum of borrowings and lease liabilities) by total equity was approximately 9.1% (2024: approximately 12.3%).

The Group’s primary liquidity requirements are to finance working capital, fund capital expenditures and growth of operations. The Group’s operations are financed principally by the cash generated from its business operations and bank facilities. The Group adopts a prudent approach towards its financial management and treasury policies. The Directors closely monitor the liquidity structure of the Group to ensure that the liquidity structure of the Group’s assets, liabilities and other commitments is able to meet its capital requirements from time to time.

CAPITAL COMMITMENTS

Our capital commitments primarily relate to the acquisition of property, plant and equipment. As at 31 December 2024 and 2025, we had capital commitments contracted in respect of the acquisition of property, plant and equipment amounted to approximately RM0.3 million and RM0.1 million, respectively.

PLEDGE OF ASSETS

As at 31 December 2025, the Group had not pledged any of its assets to secure any bank borrowings or other financing facilities.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL

Save as disclosed in the section headed “Use of Proceeds from The Share Offer” below, the Group did not undertake any significant investment or material acquisition or disposal of any subsidiary, associate or joint venture during FY2025.

Directors and Senior Management

DIRECTORS

Executive Directors

Datuk Tan Chin Nyan (“**Datuk Tan**”), aged 66, was appointed as a Director on 30 May 2025 and was redesignated as an Executive Director, the Chairman of the Board and the Chief Executive Officer on 17 June 2025. He is also a member of the Remuneration Committee and the Nomination Committee of the Company.

Datuk Tan is primarily responsible for overall business strategic direction, planning and execution of our Group. Datuk Tan has more than 37 years of experience in the transportation infrastructure engineering industry. Before acquiring the majority interest in our Group, Datuk Tan had worked in various positions in the transportation infrastructure engineering sector. In 2004, Datuk Tan acquired the majority shareholding interest in BBSB Holdings Sdn. Bhd. (“**BBSB Holdings**”), our operating subsidiary in Malaysia and he is currently a director of BBSB Holdings.

Datuk Tan obtained a Degree of Bachelor of Science in Civil Engineering from the National Cheng Kung University, Taiwan in June 1983 and a Degree of Master of Engineering from the Asian Institute of Technology in April 1986. He has also been elected as a member of The Institution of Engineers, Malaysia in July 1994. He was elected as a member of The Institution of Engineers, Australia and a member of the College of Civil Engineers, Australia in August 1995. He registered as a professional engineer of the Board of Engineers Malaysia in March 1996 and is a professional engineer with practising certificate in the branch of civil engineering of the Board of Engineers Malaysia since March 2016. Datuk Tan has been awarded the status of Associate ASEAN Engineer by ASEAN Engineering Register in December 2012. In August 2022, he was elected as a chartered professional engineer of The Institution of Engineers Australia. He has also been conferred Darjah Pangkuan Seri Melaka (D.P.S.M) which carries the title “Datuk” since October 2022.

Datuk Tan is the father of Mr. Andy Tan and Ms. Tan Xin Yi, both of whom are our Executive Directors.

Executive Directors

Mr. Tan Tze Tung, Andy (“**Mr. Andy Tan**”), aged 31, was appointed as a Director on 30 May 2025 and was redesignated as an Executive Director on 17 June 2025. He is also a member of the Nomination Committee of the Company. Mr. Andy Tan is primarily responsible for overseeing and improving the efficiency of our Group’s day-to-day operations.

Mr. Andy Tan has more than 7 years of experience in the transportation infrastructure engineering industry.

Mr. Andy Tan obtained a Degree of Bachelor of Environments and a Degree of Master of Engineering from the University of Melbourne, Australia in December 2016 and December 2018, respectively. Mr. Andy Tan was admitted as a graduate of The Institution of Engineers, Malaysia in January 2024 and was registered as a graduate engineer of the Board of Engineers Malaysia in the branch of civil engineering since July 2019.

Mr. Andy Tan is the son of Datuk Tan and the brother of Ms. Tan Xin Yi, both of whom are our Executive Directors.

Ms. Tan Xin Yi (“**Ms Tan**”), aged 29, was appointed as a Director on 30 May 2025 and was redesignated as an Executive Director on 17 June 2025. She is also a member of the Remuneration Committee of the Company. Ms. Tan is primarily responsible for overseeing all aspects of human resources within our Group, including recruitment, administration, training, compensation, benefits and employee relations.

Ms. Tan has more than 4 years of experience in the field of human resources management. She joined our Group in December 2021 as a human resources executive, where she was primarily responsible for recruitment, employee record management, benefits administration and compliance with company policies and Malaysia labour laws. She has been promoted as a human resources manager of our Group since January 2025, mainly responsible for recruitment, onboarding, employee relations, training and development.

Ms. Tan obtained an Advance Diploma of Hospitality from the William Angliss Institute, Australia in July 2016 and a Degree of Bachelor of Business Administration in International Hotel Management with Hospitality Entrepreneurs from the Les Roches Global Hospitality Education, Switzerland in January 2020.

Ms. Tan is the daughter of Datuk Tan and the sister of Mr. Andy Tan, both of whom are our Executive Directors.

Directors and Senior Management

Independent Non-executive Directors

Mr. Lee Tuan Meng (“**Mr. Lee**”), aged 65, was appointed as an Independent Non-executive Director of the Company on 16 December 2025. He is also the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. He is primarily responsible for providing independent advice to the Board, advising on corporate accounting and financial matters.

Mr. Lee has more than 23 years of experience in accounting, taxation, treasury, auditing, operational strategy and project management.

Mr. Lee has been a registered accountant of the Malaysian Institute of Accountants since July 1992. He has been a Certified Public Accountant of The Malaysian Institute of Certified Public Accountants (formerly known as the Malaysian Association of Certified Public Accountants) since September 1990.

Mr. Ooi Kim Chai (“**Mr. Ooi**”), aged 68, was appointed as an Independent Non-executive Director of the Company on 16 December 2025. He is also the chairman of the Nomination Committee and the Remuneration Committee and a member of the Audit Committee. He is primarily responsible for providing independent advice to the Board, advising on corporate governance and financial matters.

Mr. Ooi has more than 30 years of experience in insurance and financial services.

Mr. Ooi graduated from the National Cheng Kung University, Taiwan in June 1983 with a Degree of Bachelor of Science in Civil Engineering. In July 1986, he obtained a Diploma in Business Studies from The Institute of Commercial Management, a professional body for commercial and business development staff in the United Kingdom. He obtained a Doctoral Degree in Political Economics from the Wuhan University, PRC in December 2003 and a Post-Doctoral Degree in Applied Economics from the Chinese Academy of Social Sciences, PRC in November 2009.

Ms. Norkamaliah Binti Hashim (“**Ms. Hashim**”), aged 54, was appointed as an Independent Non-executive Director of the Company on 16 December 2025. She is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. She is primarily responsible for providing independent advice to our Board, advising on strategic fit, financial viability, and associated risks to support informed decision-making.

Ms. Hashim has more than 9 years of experience in property valuation and corporate governance.

Ms. Hashim obtained a Diploma in Estate Management from the Institute Teknologi Mara Malaysia in March 1997 and a Degree of Bachelor of Estate Management from the Universiti Teknologi Mara, Malaysia in November 2007.

SENIOR MANAGEMENT

Mr. Liew Chen Keong (“**Mr. Liew**”), aged 53, is the head of Contract Department of our Group and is primarily responsible for overseeing and leading the operation of the department.

Mr. Liew has more than 23 years of experience in the construction industry. From August 2002 to December 2004, he worked as a senior contracts administrator at HSS Engineering Sdn. Bhd., a company principally engaged in the provision of engineering and project management services, where he was primarily responsible for contract administration and quality control. From January 2007 to May 2010, he worked as an assistant contracts manager at Realis Sdn. Bhd., a company principally engaged in road and building construction, where he was primarily responsible for contract administration and quality control. He joined our Group in June 2010 as a contract manager and has been promoted as the head of contract since January 2021.

Mr. Liew obtained a Diploma of Quantity Surveying from the Institut Teknologi Pertama, Malaysia in December 1994 and a Master Degree of Business Administration (via distance learning) from The University of Derby, United Kingdom in December 2013.

Mr. Goh Chong Yong (“**Mr. Goh**”), aged 44, is the project director of our Group and is primarily responsible for overseeing projects from planning to delivery.

Mr. Goh has more than 19 years of experience in the construction industry. From March 2006 to June 2007, he worked as a project engineer at Bridgex Sdn. Bhd., where he was primarily responsible for liaising with consultants and customer representatives for daily site activities. He joined our Group in July 2007 as a project engineer and successively worked as a senior project engineer from March 2011 to August 2015, an assistant project manager from August 2015 to December 2016, a project manager from January 2017 to December 2020 and a project director since January 2021.

Mr. Goh obtained a Diploma and an Advanced Diploma in Technology (Building) from the Kolej Tunku Abdul Rahman, Malaysia in May 2002 and March 2004, respectively. He obtained a Degree of Bachelor of Science in Building Construction Management from the Sheffield Hallam University, United Kingdom in September 2004.

Directors and Senior Management

SENIOR MANAGEMENT

Mr. Lee Soon Pok (“**Mr. SP Lee**”), aged 46, is the project director of our Group and is primarily responsible for overseeing and leading the operation of project department and managing projects.

Mr. SP Lee has more than 20 years of experience in the construction industry. From July 2005 to June 2007, he worked as an engineer at Bridgex Sdn. Bhd., where he was mainly responsible for coordinating with consultants and subcontractors to resolve technical matters. He joined our Group in July 2007 as a project engineer and successively worked as a senior engineer from July 2011 to March 2013, an assistant construction manager from April 2013 to December 2015, an assistant project manager from January 2016 to August 2017, a project manager from August 2017 to December 2020 and has served as a project director since January 2021.

Mr. SP Lee obtained a Degree of Bachelor of Science in Engineering from the National Taiwan University, Taiwan in June 2003.

Ms. Tan Li Shin (“**Ms. LS Tan**”), aged 37, is the head of the Finance Department and an accountant of our Group. She is primarily responsible for overseeing and leading the Group’s accounting and financial reporting functions.

Ms. LS Tan has more than 13 years of experience in the accounting field. From August 2012 to August 2014, she worked as a senior audit assistant at Kreston John & Gan, where she was mainly responsible for performing audit engagements, tax compliance matters and other advisory works related to internal control on accounting system. From October 2014 to March 2016, she served as an accounts executive at Prominent Xtreme Sdn Bhd and was mainly responsible for financial reporting, tax and compliance matters. From April 2016 to November 2020, she joined Sin Heap Lee Development Sdn Bhd as a finance executive, mainly responsible for financial reporting, annual projection and financial analysis, tax and compliance matters. After that, Ms. LS Tan joined our Group in December 2020 as an accountant and now heads our finance department.

Ms. LS Tan obtained a Bachelor of Accountancy (Honours) Degree from the Universiti Putra Malaysia in 2012. She is a Chartered Accountant (Malaysia) and a member of the Malaysian Institute of Accountants.

Save as disclosed above, as at the date of this annual report, none of our senior management had any directorships in any listed company over the past three years and none of our senior management had any relationship with any Director, senior management, substantial Shareholders or Controlling Shareholders.

Directors' Report

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries of the Company are set out in Note 28 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

PRINCIPAL RISKS AND UNCERTAINTIES FINANCIAL RISKS

Details of the Group's financial risk management are set out in Note 32 to the consolidated financial statements.

BUSINESS RISKS

The Group relies heavily on a limited number of government-driven bridge and transportation infrastructure engineering projects in Malaysia, and any reduction in such projects due to changes in government spending or infrastructure priorities could materially and adversely affect our business, financial condition and results of operations. However, our Group will mitigate such risk by maintaining competitiveness in the tendering and quotation process, actively pursuing new project opportunities.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors and management are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group since the date of the Listing and up to the date of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company recognises its responsibility to protect the environment. The Company is committed to the sustainable development of the environment and our society. The Group has endeavored to comply with the laws and regulations regarding environmental protection and has adopted effective environmental practices to ensure that our business meet the required standards and ethics in respect of environmental protection. Information on environmental policies and performance of the Group are set out in the section headed "Environment, Social and Governance Report" of this annual report.

RESULTS

The results of the Group for the Reporting Period and the Group's financial position as at 31 December 2025 are set out in pages 85 to 87 of this annual report.

DIVIDENDS

The Board has declared and paid an interim dividend amounting to RM5.0 million during the year ended 31 December 2025 and has resolved not to recommend the payment of any final dividend for the year ended 31 December 2025.

SHARE CAPITAL

Details of the issued shares during the year ended 31 December 2025 are set out in Note 26 to the consolidated financial statements.

Directors' Report

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves and distributable reserves of the Group during the Reporting Period are set out in Note 26 in this annual report.

MAJOR CUSTOMERS, SUBCONTRACTORS AND SUPPLIERS

During the Reporting Period, the Group's revenue to the top five customers accounted for 100% of the Group's total revenue for the year, this is largely due to the limited number and high concentration of main contractors in Malaysia. Bridge engineering projects are typically large-scale, capital-intensive, and awarded through centralised tendering, which naturally limits the customer base. Nevertheless, the Group's purchase from the top five subcontractors accounted for approximately 41.8% of the Group's total cost of services for the year ended 31 December 2025 and the Group's purchases from the top five suppliers accounted for approximately 14.2% of the Group's total cost of services for the year ended 31 December 2025.

FINANCIAL SUMMARY CURRENT RATIO AND GEARING RATIO

As at 31 December 2025, the current ratio and the gearing ratio were approximately 1.7 times and approximately 9.1% respectively. Current ratio is calculated based on total current assets divided by total current liabilities at the end of the financial year and gearing ratio is calculated based on total borrowings divided by total equity at the end of the financial year.

SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information for the last three financial years is set out in the section headed "Financial Summary" of this annual report.

BANK BORROWINGS

Particulars of the bank borrowings of the Group as at 31 December 2025 are set out in Note 25 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Reporting Period are set out in Note 4.2 and 16 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued shares are held by the public as at the date of this annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

RELATIONSHIP WITH KEY STAKEHOLDERS

The Group recognises that various stakeholders who/which include suppliers, employees, Shareholders and other business associates are key to the Group's success. The Group strives to achieve corporate sustainability by cultivating strong relationships with them.

FOREIGN CURRENCY EXPOSURE

The Group's consolidated financial statements are presented in Ringgit Malaysia, which is also the Company's functional currency. As the Group's operations are conducted entirely within Malaysia, with revenue and expenses predominantly denominated in Ringgit Malaysia, the Group's operation is not exposed to any material foreign exchange risk.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2025, we had a total of 154 employees (31 December 2024: 102 employees). Total employee remuneration and benefits for the year ended 31 December 2025 amounted to approximately RM15.4 million (2024: approximately RM14.9 million).

The Remuneration Policy for the employees (including key management) of the Group has been laid down by the management of the Group on the basis of their merit, qualifications and competence. The remunerations of the Directors of the Company are reviewed and recommended by the Remuneration Committee to the Board for approval, having regard to the Company's operating results, individual performance and comparable market statistics. No Director, or any of his associates and executives, will be involved in deciding his own remuneration.

DIRECTORS AND SENIOR MANAGEMENT

The Directors who hold office since the date of the Listing and up to the date of this annual report are:

Executive Directors

Datuk Tan Chin Nyan (*Chairman*)

Mr. Tan Tze Tung

Ms. Tan Xin Yi

Independent Non-executive Directors

Mr. Lee Tuan Meng

Mr. Ooi Kim Chai

Ms. Norkamaliah Binti Hashim

Pursuant to Article 108(a) of the Articles of the Association of the Company, one-third of the Directors shall retire from office by rotation at each annual general meeting and that every Director shall be subject to retirement by rotation at least once every 3 years. However, a retiring Director shall be eligible for re-election.

Article 112 of the Articles of Association of the Company provides that the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board 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. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

The biographies of the Directors and senior management of the Company as at the date of this annual report are set out in section headed "Directors and Senior Management" of this annual report.

Information regarding Directors' emoluments and the five highest paid individuals' remuneration is set out in Note 11 to the consolidated financial statements of this annual report.

Directors' Report

DIRECTORS' SERVICE CONTRACTS

The Company has entered into a service contract with each of the Executive Directors for an initial fixed term of three years, renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then term of employment under the service contract but subject to retirement by rotation and eligible for re-election pursuant to the Articles of Association and the termination provisions of the service agreement.

Each of the Independent Non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from 13 January 2026 and the appointment shall be renewed automatically for successive terms of one year each commencing from the next day after the expiry of the then term of appointment unless terminated by either party giving not less than one month's notice in writing or in accordance with the articles of association of the Company and the termination provisions of the service agreement.

None of the Directors who are being proposed for re-election at the forthcoming 2026 AGM has a service contract with any member of the Group, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company has been entered into or existed since the date of the Listing and up to the date of this annual report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As the Company was not listed on the Stock Exchange as of 31 December 2025, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO") and section 352 of the SFO were not applicable to the Directors or chief executive of the Company as of 31 December 2025.

As at 13 January 2026 (being the date of the listing of shares of the Company) and up to the date of this annual report, the interests and short positions of the Directors and chief executives of the Company 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 which are 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 and short positions which they are taken or deemed to have under such provisions of the SFO), or which are required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required to be notified to the Company and the Stock Exchange pursuant to Rule 5.67 of the GEM Listing Rules, are as follows:

Long positions in shares of the Company:

Name	Capacity/ Nature of interest	Number of shares held/interested	Approximately Percentage of shareholding in the total issued Shares
Tan Chin Nyan ("Datuk Tan")	Interest in a controlled corporation ^(Note 2)	375,000,000 Shares (L) ^(Note 1)	75%

Notes:

- 1) The letter "L" demonstrates long position.
- 2) BBSB Overseas Private Ltd is a company incorporated in the BVI ("BBSB Overseas") and is the registered and beneficial owner holding 75% of the issued Shares of the Company. The issued share capital of BBSB Overseas is owned as to 70% by Datuk Tan and as to 30% by Datin Pan Shao-Ping ("Datin Pan"). By virtue of the SFO, Datuk Tan is deemed to be interested in the Shares in which BBSB Overseas is interested.

Interests in the Associated Corporations

Name of Director	Name of Associated Corporation	Nature of Interest	Number and Description of shares ^(Note 1)	Approximate Percentage of Interest
Datuk Tan	BBSB Overseas	Beneficial owner	7	70%

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the associated corporation.
- (2) BBSB Overseas is the registered and beneficial owner holding 75% of the issued Shares of the Company. BBSB Overseas is owned as to 70% by Datuk Tan and 30% by Datin Pan, respectively. By virtue of the SFO, Datuk Tan is deemed to be interested in the Shares held by BBSB Overseas in the Company.

Save as disclosed above and to the best knowledge of the Directors, as of the date of this annual report, none of the Directors or the chief executives of the Company had any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are 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 and/or short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As the Company was not listed on the Stock Exchange as of 31 December 2025, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable to the substantial shareholders and other persons of the Company as of 31 December 2025.

As of the date of this annual report, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of our Company) had, or are deemed to have, interests or short positions in the shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are recorded in the register required to be kept by the Company under the SFO are as follows:

Interest in Shares in our Company

Name of substantial Shareholder	Capacity/ Nature of interest	Number of shares held/interested	Approximately Percentage of shareholding in the total issued Share
BBSB Overseas ^(Note 2)	Beneficial Owner	375,000,000 Shares (L) ^(Note 1)	75%
Datuk Tan	Interest in a controlled corporation ^(Note 2)	375,000,000 Shares (L) ^(Note 1)	75%
Datin Pan	Interest of spouse ^(Note 3)	375,000,000 Shares (L) ^(Note 1)	75%
Tan Choon Hock	Beneficial Owner	30,296,000 Shares (L) ^(Note 1)	6.06%

Notes:

- 1) The letter "L" demonstrates long position.
- 2) BBSB Overseas is a company incorporated in the BVI and the registered and beneficial owner holding 75% of the issued Shares of the Company. The issued share capital of BBSB Overseas is owned as to 70% by Datuk Tan and as to 30% by Datin Pan. By virtue of the SFO, Datuk Tan is deemed to be interested in the Shares in which BBSB Overseas is interested.
- 3) Datin Pan is the spouse of Datuk Tan. By virtue of the SFO, Datin Pan is deemed to be interested in all the Shares held by Datuk Tan.

Save as disclosed above and to the best knowledge of the Directors, as of the date of this annual report, no other persons/entities (other than the Directors and chief executive of our 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 are recorded in the register required to be kept by the Company under the SFO.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, the Company had not entered or participated in any equity-linked agreements that will or may result in the Company issuing Shares during the year ended 31 December 2025.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save for the Share Option Scheme of the Company, at no time during the Reporting Period was the Company, its or any of its holding companies or any of its subsidiaries a party to any arrangement to enable the Directors and the Chief Executive (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

The Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of our Company nor any of their respective close associates (as defined in the GEM Listing Rules) that competed or might compete, either directly or indirectly, with the business of our Group and any other conflicts of interest which any such person had or might have with our Group since the date of the Listing and up to the date of this annual report.

CONNECTED TRANSACTIONS

The Company has entered into agreements and arrangements for connected transactions with the connected persons under the GEM Listing Rules in the ordinary and usual course of our business and in compliance with the GEM Listing Rules. Details of the connected transactions of the Group are set out below.

As stated in the prospectus dated 31 December 2025 published by the Company (the “**Prospectus**”), during the Track Record Period, the Group has conducted certain transactions with our Controlling Shareholders which constituted one-off connected transactions under Chapter 20 of the GEM Listing Rules. Datuk Tan and Datin Pan, through their controlled companies (as lessor), leased a total of four properties to BBSB Holdings (as lessee) which were used as our offices and storage. In accordance with IFRS 16, the leases are classified as acquisitions of right-of-use assets and therefore constituted one-off connected transactions under the GEM Listing Rules. Such transactions are entered into in the ordinary and usual course of business of our Group and our Directors has confirmed that the terms of such transactions are determined at arm's length negotiations and are no less favorable to our Group than terms offered by Independent Third Parties. Since such leased properties are easily replaceable, our Directors believe that such transactions between our Group and our Controlling Shareholders do not indicate any undue reliance by our Group on our Controlling Shareholders and are beneficial to our Group and our Shareholders as a whole.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as otherwise disclosed in this annual report, during the Reporting Period, none of the Directors or entities connected with the Directors had an interest, directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

SIGNIFICANT CONTRACTS

Save as disclosed in this annual report, no transaction, arrangement or contracts of significance to which the Company or any of its subsidiaries and the controlling shareholders was a party and in which a Director had a material interest subsisted since the date of the Listing.

Directors' Report

PERMITTED INDEMNITY PROVISION AND DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the memorandum and articles of association of the Company, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Since the date of the Listing, the Group has arranged appropriate Directors' and Officers' Liability Insurance coverage for all the Directors and senior management of the Group.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Shares.

CHANGES TO DIRECTORS' INFORMATION

Save as disclosed in this annual report, the Directors are not aware of any change in the information of Directors and chief executives of the Company required to be disclosed pursuant to Rule 17.50A of the GEM Listing Rules as at the date of this annual report.

SHARE OPTION SCHEMES

We have adopted a Share Option Scheme on 16 December 2025. The principal terms of the Share Option Scheme are summarised in the sub-section headed "Statutory and General Information – D. Share Option Scheme" in Appendix V to the Prospectus. As at the date of this annual report, no option has been granted under the Share Option Scheme.

The Company has adopted a share option scheme (the "Share Option Scheme") on 16 December 2025. The principal terms of the Share Option Scheme have been summarised in Appendix V to the Prospectus.

The following is a summary of the principal terms of the Share Option Scheme conditionally approved by all Shareholders on 16 December 2025.

(a) Purpose of the Share Option Scheme

The Share Option Scheme enables the Company to grant Options to Eligible Persons as incentives or rewards for their contributions to our Group.

(b) Who may join and the basis of eligibility

The eligibility of each of the Eligible Persons shall be determined by the Board (or if the Board so resolves by a committee of the Board) from time to time and on a case-by-case basis. Generally:

- (i) with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within our Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard;
- (ii) with respect to directors and employees of the Related Entities, the Board will consider, among others, their participation and contribution to the development of our Group and/or the extent of benefits and synergies brought to our Group; and

(iii) with respect to Service Providers, the Board will consider, among others, their experience and expertise, continuity and frequency of their services to our Group, their involvement in promoting the business of our Group, or where appropriate, contribution or potential contribution to the long-term growth of our Group.

(c) Grant an Option

Subject to the terms of the Share Option Scheme and the GEM Listing Rules, the Board shall be entitled at any time within the period of 10 years after the Effective Date for Share Options to make an Offer to any Eligible Person as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at the Exercise Price.

The total number of Shares issued and to be issued in respect of all options and awards granted to a Participant under the Share Option Scheme and Other Schemes (excluding any options and awards lapsed) in any 12-month period must not exceed 1% of the Shares in issue, but provided that if duly approved by Shareholders at general meeting with such Eligible Person and its close associates (or its associates if the participant is a connected person) abstaining from voting, our Board may make a further grant of Options to such Participant.

(d) Exercise Price

The subscription price for the Shares subject to Options shall be a price determined by our Board and notified to an Eligible Person and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a Business Day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant of the Options.

(e) Maximum number of Shares

(i) The maximum number of Shares which may be issued in respect of all options and awards to be granted under the Share Option Scheme and Other Schemes (the "Scheme Mandate Limit") must not, in aggregate, exceed 10% of the Shares in issue as at the Effective Date for Share Options or the relevant date of approval of the refreshment of the Scheme Mandate Limit provided that Options or awards which have lapsed in accordance with the terms of the Share Option Scheme or Other Schemes will not be counted as utilised for the purpose of calculating the Scheme Mandate Limit. On the basis of 500,000,000 Shares in issue on 13 January 2026 (the "Listing Date"), the Scheme Mandate Limit will be equivalent to 50,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date.

(ii) Within the Scheme Mandate Limit, the number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the Share Option Scheme and Other Schemes (the "Service Provider Sublimit") must not in aggregate exceed 1% of the total number of Shares in issue as at the Effective Date for Share Options or the relevant date of approval of the refreshment of the Service Provider Sublimit.

Directors' Report

(f) Minimum vesting period and performance target

All Options granted under the Share Option Scheme will be subject to a vesting period of no less than 12 months from the date of grant. A shorter vesting period may be allowed for Employee Participants in certain specific circumstances set out in the Share Option Scheme subject to approval by the Board and/or the Remuneration Committee of our Company (for Options granted to the Directors or senior management) at the Board's discretion, provided that such Participant has been specifically identified by the Board before granting such approval.

No share options have been granted/exercised/cancelled/lapsed under the Share Option Scheme since the adoption of the Share Option Scheme on 16 December 2025.

As at the date of this annual report, the total number of shares of the Company available for issue under the Share Option Scheme is 50,000,000 shares, representing 10% of the issued shares of the Company.

As at the date of this annual report, the remaining life of the Share Option Scheme is 9 years and 8 months.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Since the date of the Listing and up to the date of this annual report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities (including sale of treasury shares) listed on the Stock Exchange during the Reporting Period.

Since the date of Listing and up to the date of this annual report, the Company did not hold any treasury shares.

INTERESTS OF THE COMPLIANCE ADVISER AND ITS DIRECTORS, EMPLOYEES AND ASSOCIATES

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Lego Corporate Finance Limited as its compliance adviser (the "Compliance Adviser"). Except for the compliance adviser agreement entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this annual report.

CONTINGENT LIABILITIES

As of the end of 31 December 2025, save as disclosed in Note 4.12 to the consolidated financial statements, the Company had no other material contingent liabilities.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration nor were the Directors aware of any material litigation or claims that were pending or threatened against the Company during the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the GEM Listing Rules as its own corporate governance code. Save as disclosed below and to the knowledge of the Board, the Company has complied with the relevant code provisions in the CG Code from the date of the Listing and up to the date of this annual report.

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Datuk Tan is both the Chairman of the Board and the Chief Executive Officer of the Company. Considering the fact that Datuk Tan has been operating and managing the Group since 2004, the Board believes that it is in the best interests of our Group to have Datuk Tan holding both roles for effective management and business development.

The Directors consider that the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance. Notwithstanding the above, the Board is of the view that this management structure is effective for the Group’s operations, and sufficient checks and balances are in place as three Independent Non-executive Directors have been appointed, and a risk management and internal control system has been set up.

DIRECTORS’ SECURITIES TRANSACTIONS

As the Shares were not listed on the GEM during the year ended 31 December 2025, the required standard of dealings was not applicable to the Company during that period. Such requirements have become applicable to the Company since the Listing Date.

Save as disclosed below, since the Listing date, the Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors’ securities transactions in securities of the Company. Based on specific enquiry made with all the Directors, each of them has confirmed that they have fully complied with the required standard of dealings during the period from the date of the Listing and up to the date of this annual report, and no incident of non-compliance has been noted by the Company during such period.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The Company’s Shares were successfully listed on the GEM of the Stock Exchange on 13 January 2026. The Company received gross proceeds of approximately HK\$75 million, the net proceeds (after deduction of underwriting commissions and related costs and expenses) from the Share Offer amounted to approximately HK\$48.1 million. As at the date of this annual report, the Board has no intention to change the proposed use of proceeds as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The unutilised net proceeds are currently held in bank deposits.

ANNUAL GENERAL MEETING

The AGM is scheduled to be held on Tuesday 30 June 2026. A circular containing further information of the AGM will be published on the websites of the Company (www.bbsbholdings.com.my) and the Stock Exchange (www.hkexnews.hk) and dispatched to the Shareholders in accordance with the GEM Listing Rules.

Directors' Report

CLOSURE OF REGISTER MEMBERS

For determining the entitlement to attend, speak and vote at the AGM, the register of members of the Company will be closed from Thursday 25 June 2026 to Tuesday 30 June 2026 both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all share transfer forms accompanied by the relevant share certificates must be lodged with Boardroom Share Registrars (HK) Limited, the Company's share registrar and transfer office in Hong Kong at "2103B, 21/F, 148 Electric Road, North Point, Hong Kong", for registration not later than 4:30 p.m. on 24 June 2026. The record date for the purpose of determining the eligibility of the Shareholders to attend, speak and vote at the AGM is Tuesday 30 June 2026.

RETIREMENT SCHEME

The Group participates in a mandatory provident fund prescribed by Employees Provident Fund (EPF) in Malaysia. Save as the aforesaid, the Group did not participate in any other pension schemes for the year ended 31 December 2025.

RELATED PARTY TRANSACTION

With respect to the related party transactions as disclosed in Note 29 to the consolidated financial statements of this annual report, there is no related party transactions which constitute a disclosable and/or connected transaction as defined under the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events affecting the Group, which have occurred subsequent to 31 December 2025 and as at the date of this annual report.

REVIEW OF THE ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-executive Directors, namely, Mr. Lee Tuan Meng, Mr. Ooi Kim Chai and Ms. Norkamaliah Binti Hashim. The Audit Committee has reviewed the audited financial statements for the year ended 31 December 2025 in conjunction with the Company's Auditors and management and has also discussed auditing, risk management, internal control and financial reporting matters which include accounting practices and principles adopted by the Group.

INDEPENDENT AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by BDO Limited. There has been no change in the auditor of the Company since the Listing Date.

On behalf of the Board

Datuk Tan Chin Nyan

Chairman and Executive Director

30 March 2026

Corporate Governance Report

CORPORATE GOVERNANCE CULTURE AND VALUE

The Company is committed to maintaining a high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the GEM Listing Rules as its own code of corporate governance and as the basis for the corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance practices. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

As the Company’s shares were not listed on the Stock Exchange as of 31 December 2025, the CG Code set out in Appendix C1 to the GEM Listing Rules were not applicable to the Company during the year ended 31 December 2025 but has become applicable to the Company since the Listing Date.

Save as disclosed below, the Company has complied with all the applicable code provisions under the CG Code during the period from the Listing Date to the date of this annual report.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Datuk Tan is both the Chairman of the Board and the Chief Executive Officer of the Company. Considering that Datuk Tan has been operating and managing our Group since 2004, our Board believes that it is in the best interests of our Group to have Datuk Tan holding both roles for effective management and business development.

The Directors consider that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance. Notwithstanding the above, the Board is of the view that this management structure is effective for the Group’s operations, and sufficient checks and balances are in place as three Independent Non-executive Directors have been appointed, and a risk management and internal control system has been set up.

CORPORATE CULTURE

The Group is committed to fostering a corporate culture of integrity and honesty and to ensuring that its affairs are conducted in accordance with high ethical standards. We strictly adhere to the applicable laws and regulations applicable to the Group. This reflects the Group’s belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Group believes that Shareholders’ interests will be maximised in the long term and that its employees, and those with whom it does business and the communities in which it operates will all benefit.

Corporate Governance Report

DIRECTORS' SECURITIES TRANSACTIONS

As the Shares were not listed on the GEM during the year ended 31 December 2025, the required standard of dealings was not applicable to the Company during that period. Such requirements have become applicable to the Company since the Listing Date.

Save as disclosed below, since the Listing Date, the Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company. Based on specific enquiry made with all the Directors, each of them has confirmed that they have fully complied with the required standard of dealings during the period from the Listing Date and up to the date of this annual report, and no incident of non-compliance was noted by the Company during such period.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board includes a balanced composition of Executive Directors and Non-executive Directors (including Independent Non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The Board currently comprises the following Directors:

Executive Directors

Datuk Tan Chin Nyan (*Chairman*)
Mr. Tan Tze Tung
Ms. Tan Xin Yi

Independent Non-executive Directors

Mr. Lee Tuan Meng
Mr. Ooi Kim Chai
Ms. Norkamaliah Binti Hashim

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" of this annual report. Save as disclosed above, there were no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

Board Meetings and Directors' Attendance Records

As the Company's shares were listed on the Stock Exchange on 13 January 2026, the code provisions in relation to the number of board meetings and board committee meetings held during the year ended 31 December 2025 set out in the CG Code were not applicable to the Company during the year ended 31 December 2025. During the period from the Listing Date and up to the date of this annual report, the Board has convened one board meeting. The attendance of the individual Directors at Board meeting of the Company is set out below:

Name of Directors	Number of attendance/ meetings(s) held Board meeting
Executive Director	
Datuk Tan Chin Nyan (<i>Chairman</i>)	1
Mr. Tan Tze Tung	1
Ms. Tan Xin Yi	1
Independent Non-executive Directors	
Mr. Lee Tuan Meng	1
Mr. Ooi Kim Chai	1
Ms. Norkamaliah Binti Hashim	1

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

Corporate Governance Report

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Chairman and Chief Executive Officer

Datuk Tan Chin Nyan is both the Chairman and the Chief Executive Officer of the Company.

Considering the fact that Datuk Tan has been operating and managing our Group since 2004, the Board believes that it is in the best interests of the Group to have Datuk Tan holding both roles for effective management and business development.

The Board will continue to review and consider splitting the roles of the Chairman of the Board and the Chief Executive Officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

Independent Non-executive Directors

Since the Listing Date and up to the date of this annual report, the Company has complied with Rule 5.05 of the GEM Listing Rules relating to the appointment of at least three Independent Non-executive Directors, with at least one of them having appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers the Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in the GEM Listing Rules.

Appointment and Re-election of Directors

Each of the Executive Directors and the Independent Non-executive Directors has signed a service contract/letter of appointment with the Company for a specific term of three years and is subject to retirement by rotation in accordance with the Articles of Association of the Company.

Particulars of Directors' Service Contracts and Appointment Letters

The Company has entered into a service contract with each of the Executive Directors for an initial fixed term of three years, renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then term of employment under the service contract but subject to retirement by rotation and eligible for re-election pursuant to the Articles of Association and the termination provisions of the service agreement.

Each of the Independent Non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from 13 January 2026 and the appointment shall be renewed automatically for successive terms of one year each commencing from the next day after the expiry of the then term of appointment unless terminated by either party giving not less than one month's notice in writing or in accordance with the articles of association of the Company and the termination provisions of the service agreement.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with any member of the Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

Continuous Professional Development of Directors

Each of the Directors has confirmed that he/she has obtained on 13 January 2026 the legal advice referred to in Rule 5.02D of the GEM Listing Rules as regards the requirements under the GEM Listing Rules that are applicable to him/her as a director of a listed issuer; and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and that he/she has confirmed he/she understood his/her obligations as a director of a listed issuer under the GEM Listing Rules and the relevant laws and regulations in Hong Kong.

Pursuant to code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Group continuously updates the Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, so as to ensure that he/she is aware of his/her responsibilities and obligations as well as to maintain good corporate governance practices.

Internally-facilitated briefings for Directors will be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All the Directors are encouraged to attend relevant training courses at the Company's expenses.

Corporate Governance Report

The training received by the Directors since the Listing Date and up to the date of this annual report is summarized below:

Name of Director	Type of Training^{Note}
Executive Directors	
Datuk Tan Chin Nyan (<i>Chairman</i>)	A and B
Mr. Tan Tze Tung	A and B
Ms. Tan Xin Yi	A and B
Independent Non-Executive Directors	
Mr. Lee Tuan Meng	A and B
Mr. Ooi Kim Chai	A and B
Ms. Norkamaliah Binti Hashim	A and B

Notes:

Types of Training

- A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops
B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

The Board has established three Board committees, namely, the Audit Committee, the Remuneration Committee, and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which specify clearly with their authority and duties. The Board committees are provided with sufficient resources to discharge their duties.

Audit Committee

The Company has established an Audit Committee on 16 December 2025 with written terms of reference in compliance with Rules 5.28 of the GEM Listing Rules and the code provision D.3.3 of the CG Code. The primary duties of the Audit Committee are, among other things, to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, internal control and risk management system, to monitor the independence and objectivity of the external auditor, to oversee the audit process, to perform the corporate governance function and other duties and responsibilities as assigned by the Board.

The Audit Committee comprises three members, namely Mr. Lee Tuan Meng, Mr. Ooi Kim Chai and Ms. Norkamaliah Binti Hashim, all of them are Independent Non-executive Directors. The Audit Committee is chaired by Mr. Lee Tuan Meng who is appropriately qualified as required under Rules 5.05(2) of the GEM Listing Rules.

During the period from the Listing Date and up to the date of this annual report, the Audit Committee has held one (1) meeting to review with the management the accounting standards and practices adopted by the Group and discussing the re-appointment of the external auditor, the terms of reference of the Audit Committee, auditing, internal control, risk management and financial reporting matters including the review of annual results and financial statements for the year ended 31 December 2025.

The attendance of members of the Audit Committee is set out below:

Name of members of the Audit Committee	Number of attendance/ meeting(s) held
Mr. Lee Tuan Meng (<i>Chairperson</i>)	1
Mr. Ooi Kim Chai	1
Ms. Norkamaliah Binti Hashim	1

During the period from the Listing Date and up to the date of this annual report, the Audit Committee also met the external auditors once without the presence of the Executive Directors.

Remuneration Committee

The Company has established a Remuneration Committee on 16 December 2025 with written terms of reference in compliance with paragraph E.1.2 of the CG Code. The Remuneration Committee consists of five members, namely Datuk Tan Chin Nyan, Ms. Tan Xin Yi, Mr. Lee Tuan Meng, Mr. Ooi Kim Chai and Ms. Norkamaliah Binti Hashim. Mr. Ooi Kim Chai is the chairperson of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include (but without limitation): (i) making recommendations to the Directors on the policy and structure for all the remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of the Directors and senior management; (iii) reviewing and approving performance-based remuneration with reference to corporate goals and objectives resolved by the Directors from time to time; and (iv) to review and/or approve matters relating to Share Option Scheme under Chapter 23 of the GEM Listing Rules.

During the period from the Listing Date and up to the date of this annual report, the Remuneration Committee has met once to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management.

Corporate Governance Report

The attendance of members of the Remuneration Committee is set out below:

Name of members of the Remuneration Committee	Number of attendance/ meeting(s) held
Mr. Ooi Kim Chai (<i>Chairperson</i>)	1
Datuk Tan Chin Nyan	1
Ms. Tan Xin Yi	1
Mr. Lee Tuan Meng	1
Ms. Norkamaliah Binti Hashim	1

Details of the emoluments of the Directors and five highest paid individuals of the Group are set out in Note 11 to the Consolidated Financial Statements of this annual report.

The remuneration packages for the Executive Directors are determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each Executive Director. The remuneration for the Executive Directors comprises basic salary and discretionary bonus. Executive Directors may receive options to be granted under the Company's Share Option Scheme.

The aim of the remuneration packages for the Independent Non-executive Directors is to ensure that they are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the Independent Non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board.

Individual Directors and senior management have not been involved in deciding their own remuneration.

Nomination Committee

The Company has also established a Nomination Committee on 16 December 2025 with written terms of reference in compliance with paragraph B.3.1 of the CG Code. The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The Nomination Committee consists of five members, namely Datuk Tan Chin Nyan, Mr. Tan Tze Tung, Mr. Lee Tuan Meng, Mr. Ooi Kim Chai and Ms. Norkamaliah Binti Hashim. Mr. Ooi Kim Chai is the chairperson of the Nomination Committee.

The principal duties of the Nomination Committee include making recommendations to our Board on the appointment of Directors and management of Board succession.

In identifying and selecting suitable candidates for directorships, the Nomination Committee will consider the criteria set out in the Director Nomination Policy and Board Diversity Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The factors which would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate for Director include, inter alia, reputation for integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as Board member, diversity of the Board, and such other perspectives appropriate to the Company's business. The Nomination Committee shall make recommendations for the Board's consideration and approval.

During the period from the Listing Date and up to the date of this annual report, the Nomination Committee has met once to review the structure, size and composition of the Board and the independence of the Independent Non-executive Directors, to review the Board Diversity Policy and Director Nomination Policy. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Corporate Governance Report

The attendance of members of the Nomination Committee is set out below:

Name of members of the Nomination Committee	Number of attendance/ meeting(s) held
Mr. Ooi Kim Chai (<i>Chairperson</i>)	1
Datuk Tan Chin Nyan	1
Mr. Tan Tze Tung	1
Mr. Lee Tuan Meng	1
Ms. Norkamaliah Binti Hashim	1

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach for achieving the Board diversity. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of the Company, the Nomination Committee will consider a number of factors, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience.

The Company currently has two female Directors in the Board and will continue to work towards enhancing the gender diversity of the Board. The Directors have a balanced mix of knowledge and skills, and the Company has three independent non-executive Directors, with different industry backgrounds. Taking into account the Company's existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies the Board Diversity Policy. Pursuant to the Board Diversity Policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

The Board targets to maintain at least the current level of female representation, and will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified. In considering the Board's successors to ensure the Board diversity, the Nomination Committee would engage independent professional search firm(s) to help identify potential candidates for non-executive Directors, as and when appropriate. The Nomination Committee will review the Board Diversity Policy at least annually and monitor the implementation to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of 31 December 2025:

	Female	Male
Board	33.3%	66.7%
Senior Management	25.0%	75.0%
Other employees	30.0%	70.0%

Based on business development and operational requirements, the Company fully considers factors such as skills, age, and gender diversity when recruiting employees and is committed to maintaining a balanced workforce in terms of skills, age, and gender. The Company is not aware of any factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director Nomination Policy which sets out the selection criteria, the nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

Corporate Governance Report

The nomination process set out in the Director Nomination Policy is as follows:

Appointment of New Director

- (i) The Nomination Committee may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.
- (ii) The Nomination Committee should, 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 criteria set out above to determine whether such candidate is qualified for directorship.
- (iii) If the process yields one or more desirable candidates, the Nomination Committee should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

Re-election of Director at General Meeting

- (i) The Nomination Committee should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- (iii) The Nomination Committee should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders or explanatory statement accompanying the notice of the relevant general meeting in accordance with the GEM Listing Rules or applicable laws and regulations.

The Director Nomination Policy sets out the criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of Independent Non-executive Directors on the Board and independence of the proposed Independent Non-executive Directors in accordance with the GEM Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

Throughout the period from the Listing Date and up to the date of this annual report, there is no change in the composition of the Board.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board is responsible for reviewing the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, compliance with the Model Code and the Regulations on Information Disclosure, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

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 and not absolute assurance against material misstatement or loss.

Corporate Governance Report

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 has developed and adopted risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project site management, financial reporting, contracts and procurement, human resources and information technology.

The management, in coordination with department heads, will assess the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and report to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The Board, with the support of the Audit Committee and the management, has conducted an annual review of the risk management and internal control systems, including the financial, operational and compliance controls, financial reporting and internal audit function, and staff qualifications, experiences and relevant resources, for the year ended 31 December 2025 and considered that such systems are effective and adequate.

DIVIDEND POLICY

The Board endeavors to strike a balance between the interests of the shareholders of the Company and prudent capital management with a sustainable dividend policy. In proposing any dividend payout, the Company intends, where dividends are declared, to distribute no less than 5% of its annual net profits, and the Board shall take into account the following factors:

- 1) the actual and expected financial performance of the Group;
- 2) retained earnings and distributable reserves of the Company and each of the other members of the Group;
- 3) economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group;
- 4) business strategies of the Group, including future cash commitments and investment needs to sustain the long term growth aspect of the business;
- 5) the current and future operations, liquidity position and capital requirements of the Group;
- 6) statutory and regulatory restrictions; and
- 7) other factors that the Board deems appropriate.

The Board will review the Dividend Policy as appropriate from time to time.

WHISTLEBLOWING POLICY

The Company has adopted a whistleblowing policy to facilitate employees and other stakeholders to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters.

The Board shall review such whistleblowing policy regularly, conduct independent investigation on these matters if necessary, and considers and provides appropriate follow-up action.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Directors and senior management team place top priority on the implementation, enforcement and continual improvement of our Anti-Bribery and Anti-Corruption Policy and related initiatives. These measures cover the prevention, detection and monitoring of bribery and corruption across all business activities and operations, and ensure that all employees and representatives act with honesty and professionalism in line with our corporate values.

Corporate Governance Report

This Policy prohibits employees and representatives from (i) offering, promising, giving or agreeing to give anything of value, directly or indirectly, to secure a business or personal advantage; and (ii) requesting or accepting anything of value that may impair or influence their objectivity in performing job duties. In particular, we maintain strict safeguards against bribery and corruption in relation to our tendering and quotation activities, where risks are inherently higher.

During the period from the Listing Date and up to the date of this annual report, neither the Group nor any of its Directors, officers or employees is, or has ever been, a party to any claim, litigation, investigation or proceedings against any of them in respect of bribery, corruption, kickbacks, fraud or other similar improper or unlawful conducts.

DISCLOSURE OF INSIDE INFORMATION

The Company maintains a framework for the handling and dissemination of inside information and the disclosure policy sets out the procedures and internal controls to ensure inside information remains confidential until such information is appropriately disclosed and the announcement of such information is made in a timely manner in compliance with the SFO and the GEM Listing Rules.

The Group has complied with the requirements of the SFO and the GEM Listing Rules since the Listing Date. The Group will disclose inside information to the public as soon as reasonably practicable unless the information falls within any of the harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group will ensure that the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group will immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL REPORT

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2025 with the support of the accounting and finance team.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with semi-annually updates on the Group's performance, positions and prospects.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the financial statements of the Company have been prepared on a going concern basis. The Directors are of the opinion that the financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group for the year ended 31 December 2025, and that the accompanying disclosures and other financial information contained therein comply with the relevant statutory and regulatory requirements.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report of this annual report.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The remuneration paid and payable to the external auditors of the Group in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

Service Category	Fees Paid/Payable (HKD)
Audit Services relating to Consolidated Financial Statement	1,200,000
Non-audit Services relating to Extensible Business Reporting Language and Tax Compliance Services	57,400
Total	1,257,400

COMPANY SECRETARY

Ms. Lee Mei Yi is the Company Secretary of the Company.

Ms. Lee has been appointed as the Company Secretary of the Company on 17 June 2025. Ms. Lee is an Executive Director of Company Secretaries Services of Vistra, a global professional services provider specializing in integrated business, corporate and investor services. Ms. Lee has over 25 years of experience in the corporate secretarial field. Ms. Lee is familiar with both the Main Board and the GEM Listing Rules of the Stock Exchange, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as well as compliance work for offshore companies. She has been providing professional corporate and compliance services to Hong Kong listed companies, multinational corporations, Hong Kong private or public companies, companies limited by guarantee and offshore companies.

Corporate Governance Report

Ms. Lee is currently a member of the Companies Registry Customer Liaison Group. Ms. Lee is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Lee is the holder of a Bachelor of Accountancy (Hons) Degree. Prior to joining Tricor group which has been merged with Vistra group in 2023, she was a corporate secretarial executive of Ernst & Young.

The Company has engaged Vistra (Formerly known as Tricor) as an external service provider and appointed Ms. Lee as the Company's Company Secretary since 17 June 2025.

Ms. Lee's primary contact person at the Company is Mr. Tan Tze Tung, an Executive Director of the Company.

The Company was not listed on the Stock Exchange for the year ended 31 December 2025. Ms. Lee will receive no less than 15 hours of the relevant professional training annually pursuant to the requirements of Rule 5.15 of the GEM Listing Rules.

All Directors may have access to the advice and services of the Company Secretary on corporate governance and routine Board matters.

SHAREHOLDERS' RIGHTS TO CONVENE AN EXTRAORDINARY GENERAL MEETING AND PUT FORWARD PROPOSALS AT SUCH MEETING

Pursuant to article 64 of the Articles, any one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid-up capital of the Company having the right of voting at general meetings may request the Directors to convene an extraordinary general meeting. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the Principal Meeting Place, 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.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

To ensure that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, the Company has established several channels to communicate with the shareholders as follows:

- (i) corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.bbsbholdings.com.my;
- (ii) periodic announcements are published on the websites of the Stock Exchange and the Company;
- (iii) corporate information is made available on the Company's website; and
- (iv) annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management.

The Company recognised the importance of effective communication with the Shareholders and adopted the shareholder communication policy.

To provide timely and effective communication, the Company maintains a corporate website (<https://bbsbholdings.com.my>) where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

The implementation and effectiveness of the Shareholder Communication Policy have been reviewed by the Board during the year ended 31 December 2025. The Board opined that the current channels are sufficient for the Company to communicate with the shareholders.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Malaysia.

Corporate Governance Report

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: B-03-32, Block B, Merchant Square, No.1 Jalan Tropicana Selatan 1,
PJU 3, 47410 Petaling Jaya, Selangor, Malaysia.

Email: enquiry@bbsbholdings.com.my

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, apart from the registered office of the Company, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

CONSTITUTIONAL DOCUMENTS

During the period from the Listing Date and up to the date of this annual report, the Company has not made any changes to its Memorandum and Articles of Association. A copy of the Company's Memorandum and Articles of Association is available on the Company's website and the Stock Exchange's website.

Environmental, Social and Governance Report

SECTION 1

BBSB International Limited is pleased to present its Environmental, Social and Governance (“ESG”) Report for the financial year ended 31 December 2025 (“FY2025” or the “Reporting Period”). This is the Group’s inaugural ESG Report, prepared in accordance with the ESG Reporting Guide under Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”).

This Report outlines the Group’s ESG governance framework, management approach, and performance across its core business operations in civil engineering and infrastructure construction.

REPORTING BOUNDARY

This Report covers the ESG management approach and performance of the Company for the financial year ended 31 December 2025 (the “Reporting Period”).

As an investment holding company, the Company’s ESG impacts are primarily generated through its principal operating subsidiary, BBSB Holdings, which undertakes the Group’s core civil engineering and infrastructure construction activities in Malaysia. Accordingly, the reporting boundary focuses on the Group’s operational activities in Malaysia, including its corporate office and active construction project sites under the Group’s operational control.

Given the project-based nature of the construction industry, the Group’s ESG impacts vary depending on project scale, duration and stage of completion. The disclosures in this Report therefore reflect key projects and activities that contributed significantly to the Group’s operations, workforce deployment and environmental footprint during the Reporting Period.

The Group’s quantitative disclosures are primarily based on activities within its operational control, including those directly managed by the Group at project sites and offices. While subcontractors carry out a significant portion of construction works, the Group maintains oversight through site supervision and contractual requirements, and considers associated ESG risks within its supply chain management practices.

Project-based Disclosure Approach

As at 31 December 2025, the Group’s ESG disclosures are based on key ongoing infrastructure projects, including road and bridge construction works, and flood mitigation works, such as:

- Project JB27 – Road and bridge construction works at Central Spine Road, Pahang
- Project JB28 – Road and bridge construction works at Sungai Air Tawar, Selangor to Hutan Melintang, Perak
- Project JB29 – Road and bridge construction works at Ayer Puteh Junjong Kulim, Kedah
- Project JB31 – Design and build of flood mitigation works at Sungai Kenau, Kuantan, Pahang
- Project JB32 – Upgrading road and bridge construction works at Jalan Kota Tinggi – Mersing, Johor

Environmental, Social and Governance Report

REPORTING FRAMEWORK AND BASIS

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) set out in Appendix C2 to the Rules Governing the Listing of Securities on HKEX, including its mandatory disclosure requirements and “comply or explain” provisions.

In preparing this Report, the Group has also made reference to selected internationally recognised sustainability frameworks, including the Global Reporting Initiative (“GRI”) Standards and the Task Force on Climate-related Financial Disclosures (“TCFD”), to enhance the structure, relevance and comparability of its disclosures. Selected elements of the TCFD framework have been incorporated primarily at a qualitative level and will be progressively enhanced in line with evolving regulatory expectations and the Group’s internal capabilities.

This Report has been prepared in accordance with the reporting principles of materiality, quantitative, balance and consistency as set out in the ESG Reporting Guide. Material ESG issues have been identified and prioritised through stakeholder engagement and internal assessment, taking into consideration their significance to the Group’s operations and stakeholders. Details of the stakeholder engagement process and materiality assessment are presented in Section 3 of this Report.

Key environmental and social performance indicators have been calculated and disclosed in Section 4 and 5 of this Report, where applicable, in accordance with the ESG Reporting Guide. Standardised methodologies and appropriate conversion factors have been applied, and the basis of calculation is disclosed in the relevant sections.

The Report aims to present a fair and balanced view of the Group’s ESG performance. The Board has reviewed and approved the contents of this Report to ensure that disclosures are accurate, complete and reflective of the Group’s performance during the Reporting Period.

Consistent reporting methodologies, data calculation approaches and disclosure structures have been applied to facilitate comparability over time. Where there are any changes in scope, methodology or assumptions, appropriate explanations are provided to support the interpretation of the reported information.

INDEPENDENT ASSURANCE

The ESG data and information presented in this Report have been sourced from the Group’s internal management systems and verified by relevant departments. The Group has not obtained independent third-party assurance for this Reporting Period. The Group will continue to review the need for external assurance as its ESG reporting practices mature.

STAKEHOLDER FEEDBACK

The Group welcomes feedback from stakeholders to continuously improve its ESG practices and disclosures. For any comments or suggestions, please contact us at enquiry@bbsbholdings.com.my.

SECTION 2

ESG GOVERNANCE

The Board of Directors (the “Board”) has overall responsibility for overseeing the Group’s ESG strategy, governance, risk management and disclosures. The Board ensures that ESG considerations are integrated into the Group’s business strategy and decision-making processes, and reviews ESG-related performance on a regular basis.

To support the Board in discharging its responsibilities, the Group has established an ESG Committee to oversee and drive the Group’s ESG strategy. The ESG Committee is responsible for coordinating ESG initiatives, monitoring performance against ESG objectives, and reporting progress to the Board.

The ESG governance structure enables the Group to systematically identify, manage and monitor ESG-related matters across its operations, and to ensure the integrity and completeness of its ESG disclosures.



Environmental, Social, Governance Policy

The Group has established an Environmental, Social, Governance Policy to guide the management of environmental impacts arising from its operations. The policy reflects the Group’s commitment to responsible environmental management and supports the integration of environmental considerations into its business activities.

Under this policy, the Group is committed to:

- complying with applicable environmental laws and regulations
- preventing pollution and minimising adverse environmental impacts arising from its operations
- promoting the efficient use of resources, including energy, water and materials
- monitoring and improving environmental performance through appropriate controls and practices

This Policy is implemented across the Group’s operations and is supported by internal procedures, operational controls and employee awareness. The implementation of this policy is further described in the Environmental Management section of this Report. The Group’s approach to other ESG-related areas, including occupational health and safety, business ethics and data protection, is guided by internal policies and operational procedures, which are described in the relevant sections of this Report.

Environmental, Social and Governance Report

ESG Governance Structure

To effectively identify, assess and manage material ESG matters, the Company has established a two-tier ESG governance structure. The Board has overall responsibility for overseeing the Company's ESG strategy, policies and performance. To support the Board, the ESG Committee oversees the implementation and monitoring of ESG initiatives and meets regularly to review ESG performance and provide recommendations to the Board.

The current ESG governance structure and the respective responsibilities are outlined below.

ESG Governance Structure

Board of Directors	<ul style="list-style-type: none">• Ensuring appropriate and effective ESG risk management and internal control system• Approving the Company's ESG disclosure reports• Setting up the ESG management, strategy, focus and objectives of the Company
ESG Committee	<ul style="list-style-type: none">• Assist in embedding ESG into the Company's overall strategy and operations• Conducting ESG meetings on a regular basis• Work with different departments to implement ESG initiatives

ESG Risk Management

The Group integrates ESG considerations into its overall risk management processes to identify, assess and manage ESG-related risks and opportunities arising from its operations.

The Group adopts a structured approach to identify, assess and manage ESG-related risks as part of its overall risk management processes.



ESG risks are monitored through the Group's governance structure, with oversight by the Board and coordination by the ESG Committee. Relevant departments and project teams are responsible for identifying and managing ESG risks at the operational level, particularly in relation to construction activities.

Key ESG risks identified during the Reporting Period include occupational health and safety risks, regulatory and environmental compliance risks, business ethics and anti-corruption risks, cybersecurity and data protection risks, as well as risks related to supply chain management and workforce capability. These risks are inherent to the Group's construction activities and are managed through established policies, procedures and operational controls.

The Group will continue to strengthen its ESG risk management practices in line with business growth and evolving regulatory requirements.

SECTION 3

STAKEHOLDER ENGAGEMENT

The Group recognises the importance of engaging with its stakeholders to understand their expectations and to support informed decision-making in relation to ESG matters. Stakeholder engagement enables the Group to identify material ESG issues, improve its operational practices and enhance transparency in its disclosures.

The Group's key stakeholders include customers, employees, subcontractors and suppliers, regulators, and local communities. Such engagement is conducted through various formal and informal channels as part of the Group's day-to-day operations.

Key topics raised by stakeholders during the Reporting Period include project quality and delivery, occupational health and safety, regulatory compliance, environmental management and business ethics. These topics have been considered in the Group's materiality assessment and are addressed in the relevant sections of this Report.

The Group will continue to enhance its stakeholder engagement practices to ensure that stakeholder expectations are appropriately considered in its ESG strategy and operations.

During the Reporting Period, the Group conducted a structured stakeholder engagement exercise as part of its materiality assessment process. The results of the survey were used to inform the Company's materiality assessment and guide the development of its sustainability initiatives.

Environmental, Social and Governance Report

Stakeholder Group	Engagement Approach	Key Topics of Interest	Related Material Topics
Investors and Shareholders	Announcements, Annual General Meeting, Company website	Financial performance, governance, compliance	Business ethics, regulatory compliance
Customers	Direct communication, project meetings, feedback	Project quality, delivery, safety	Product and service responsibility, Health and Safety
Employees	Training, meetings, performance appraisals, internal communication	Workplace safety, career development, fair practices	Talent management, Health and Safety
Business Partners	Meetings, site visits, communication	Project execution, payments, compliance, standards	Supply chain management
Government and Regulators	Compliance submissions, inspections	Regulatory compliance, environmental standards	Environmental compliance, ethics
Community	Community engagement, project interactions	Environmental impact, local concerns	Environmental management, community impact

MATERIALITY ASSESSMENT

During the Reporting Period, the Group conducted a materiality assessment to identify and prioritise environmental, social and governance (“ESG”) issues that are most relevant to its business operations and stakeholders. The assessment forms the basis for determining the scope, content and focus of this ESG Report.

The Group adopts a structured approach to identify and prioritise material ESG topics, incorporating benchmarking, stakeholder engagement and internal assessment.



The materiality assessment process was carried out with reference to the ESG Reporting Guide and relevant international reporting frameworks, taking into consideration industry-specific risks and the Group’s operational context. A list of ESG topics was identified and refined through internal review.

The results were analysed and consolidated using a structured scoring approach, enabling the Group to prioritise ESG topics based on their relative importance to stakeholders and their impact on the Group. This dual assessment approach ensures that the material ESG topics reflect both stakeholder expectations and the Group’s business priorities.

Based on the assessment, the Group identified the following as its material ESG topics:

Environmental

Social

Environmental compliance

Occupational health and safety

Resource management (efficient use of resources, including energy, water, and other raw materials)

Talent development and retention

Supply chain management

Climate change and climate risk management

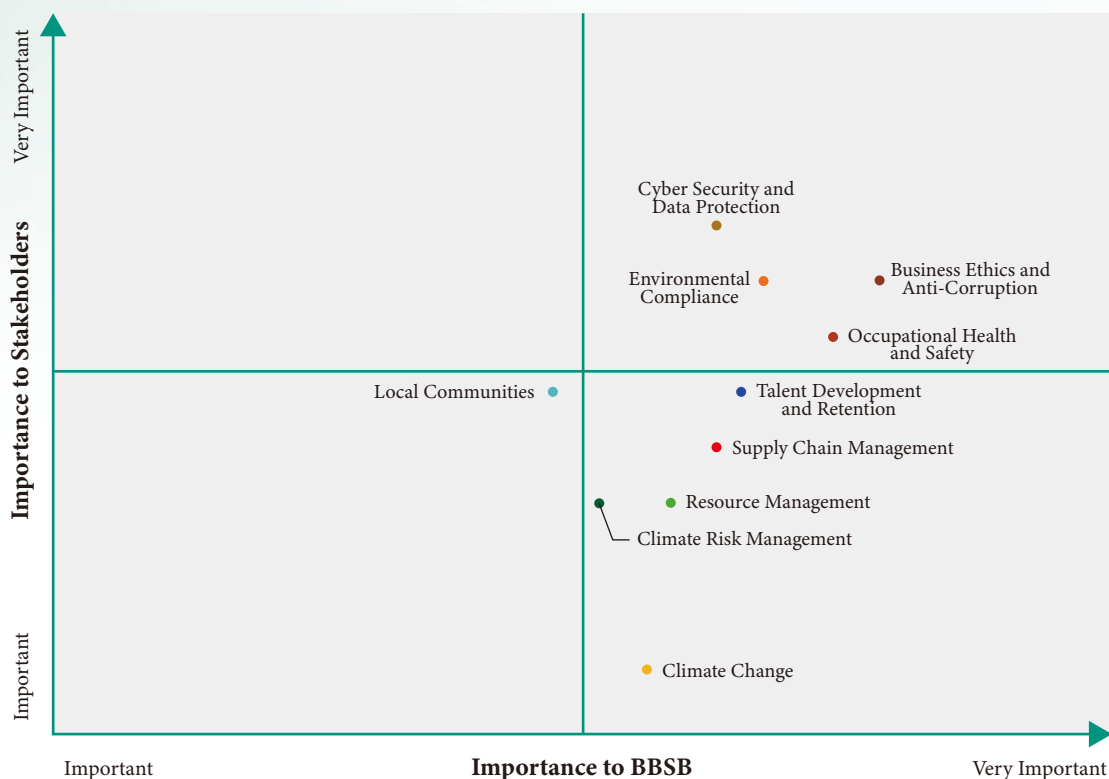
Business ethics and anti-corruption

Cybersecurity and data protection

Local communities

These material ESG topics represent the key areas of ESG risk and impact associated with the Group’s operations as a civil engineering contractor. The results of the materiality assessment are presented in the materiality matrix below, which illustrates the relative importance of each topic to stakeholders and its impact on the Group.

Environmental, Social and Governance Report



The materiality matrix illustrates the outcome of the Group’s assessment by mapping each ESG topic based on its importance to stakeholders and its impact on the Group’s operations. Topics positioned in the upper right quadrant are of higher materiality, reflecting both strong stakeholder concern and significant impact on the Group, and are therefore prioritised for disclosure and management.

The results indicate that occupational health and safety, business ethics and anti-corruption, environmental compliance, and cybersecurity and data protection are among the most material ESG topics for the Group. These areas represent key operational and compliance-related risks in the Group’s civil engineering activities and are subject to ongoing management and oversight.

Other topics, including talent development and retention, supply chain management, and resource management, are also considered important and are managed as part of the Group’s operational practices. Climate change and climate risk have been identified as emerging areas of relevance, and the Group will continue to enhance its approach to managing these risks over time.

The material ESG topics identified through this process form the basis of the Group’s ESG disclosures and are addressed in the corresponding sections of this Report.

ESG Topic	Description	Please refer to the Related Section
● Occupational Health and Safety	Managing workplace safety risks at project sites	Section 5 – Occupational Health and Safety
● Business Ethics and Anti-Corruption	Promoting ethical conduct and compliance	Section 5 – Anti-Corruption and Ethical Business
● Environmental Compliance	Compliance with environmental regulations	Section 4 – Environmental Management
● Cybersecurity and Data Protection	Protection of sensitive business and stakeholder data	Section 5 – Product and Service Responsibility
● Talent Development and Retention	Workforce capability and retention	Section 5 – Employment
● Supply Chain Management	Managing ESG risks in subcontractors and suppliers	Section 5 – Supply Chain Management
● Resource Management	Efficient use of energy, water and materials	Section 4 – Use of Resource
● Climate Change and Climate Risk Management	Managing climate-related impacts and risks	Section 4 – Climate Change and Climate Risk Management
● Local Communities	Supporting local communities through engagement and contributions	Section 5 – Social Responsibility and Community Investment

Environmental, Social and Governance Report

SECTION 4

ENVIRONMENTAL MANAGEMENT

The Group recognises that its operations have environmental impacts, particularly in relation to emissions, waste generation and resource consumption. As a civil engineering contractor, the Group is committed to managing these impacts responsibly and integrating environmental considerations into its operational practices.

The Group has established an Environmental, Social, Governance Policy to guide the management of environmental aspects across its operations. This policy is implemented at project sites and supported by internal procedures and operational controls to minimise environmental impacts.

In line with this approach, the Group adopts a range of environmental practices, including:

- controlling air and greenhouse gas emissions
- managing wastewater discharge in accordance with regulatory requirements
- ensuring proper handling and disposal of hazardous and non-hazardous waste
- promoting the efficient use of energy and water
- encouraging recycling and resource conservation

These practices are guided by internal policies and procedures covering key areas such as emissions management, waste management, energy and water use, and recycling.

The Group's operations in Malaysia are subject to applicable environmental laws and regulations, including the Environmental Quality Act 1974 ("EQA") and its subsidiary regulations. The Group ensures compliance with these requirements through monitoring, operational controls and adherence to regulatory standards.

The Group conducts environmental awareness and training sessions for site personnel prior to the commencement of construction activities. These sessions cover key topics such as waste management practices, proper handling of fuels and chemicals, and environmental considerations related to site operations. The objective is to promote compliance with environmental requirements and reinforce responsible practices, including proper storage, labelling and handling of materials on-site.

During the Reporting Period, the Group was not aware of any material non-compliance with applicable environmental laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, or the generation of hazardous and non-hazardous waste.

The Group continues to enhance its environmental management practices in line with regulatory developments and operational needs.

TYPES OF EMISSIONS AND EMISSIONS DATA

Air Emissions

During the Reporting Period, the Group's air emissions primarily arose from fuel combustion in vehicles used for office and project-related activities. The Group does not utilise gaseous fuels (such as liquefied petroleum gas or town gas) in its operations, and therefore no air emissions from such sources were recorded.

Air emissions were calculated with reference to the emission factors set out in Appendix 2: Reporting Guidance on Environmental KPIs of the ESG Reporting Guide issued by HKEX for nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM). The calculation approach is based on activity data from vehicle operations, including fuel consumption and, where applicable, distance travelled.

The Group's air emissions generation for the Reporting Period is summarised below:

Air Emissions	Unit	2025	2024	2023
Nitrogen oxides (NO _x)	kg	197.76	162.16	96.08
Sulphur oxides (SO _x)	kg	2.12	5.20	2.76
Particulate Matter (PM)	kg	13.86	11.94	7.07

Environmental, Social and Governance Report

Greenhouse Gas Emissions

The Group's greenhouse gas ("GHG") emissions primarily arise from fuel consumption in construction activities and electricity use at project sites and offices. The Group categorises its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) as follows:

Emissions Scope 1	Emissions Scope 2	Emissions Scope 3
Direct emissions from mobile and stationary sources owned or controlled by the Group	Indirect emissions from the consumption of purchased electricity	Other indirect emissions comprising only business air travel

To manage GHG emissions, the Group implements operational measures aimed at improving energy efficiency and reducing fuel consumption. These include optimising the use of diesel-powered equipment, promoting fuel-efficient transportation, improving logistics planning to reduce unnecessary trips, and applying energy-saving practices at offices and project sites.

Scope 1 emissions were calculated based on emission factors derived from the GHG Protocol Cross Sector Tools (Version 2.0, March 2024), with global warming potentials based on the IPCC Sixth Assessment Report ("AR6"). The calculation approach is consistent with guidance provided in the Simplified ESG Disclosure Guide ("SEDG") GHG Emissions Calculator issued by Capital Markets Malaysia.

Scope 2 emissions were calculated using grid emission factors published by the Energy Commission (Suruhanjaya Tenaga), representing the generation-weighted average emission intensity of electricity supplied through the Peninsular Malaysia grid for 2022.

Scope 3 emissions were estimated based on flight distances calculated using International Civil Aviation Organization ("ICAO") methodologies, with emission factors derived from the UK Government GHG Conversion Factors for Company Reporting.

The Group's GHG emissions generation for the Reporting Period is summarised below:

GHG Emission	Unit	2025	2024	2023
Emission Scope 1	tCO ₂ e	537.61	436.98	202.69
Emission Scope 2	tCO ₂ e	206.83	184.11	105.96
Emission Scope 3	tCO ₂ e	2.73	6.36	2.12
Total	tCO ₂ e	747.18	627.45	310.77

Emission Intensity	Unit	2025	2024	2023
GHG Emission intensity	tCO ₂ e/ MYR million of revenue	5.08	4.72	4.05

The increase in GHG emission intensity in 2025 was primarily due to additional fleet deployment for a new project across the peninsular Malaysia region as compared to previous years, with revenue contribution yet to be realised, resulting in a temporary increase. The GHG emission intensity is expected to normalise as the project progresses.

Environmental, Social and Governance Report

WASTE MANAGEMENT

The Group generates both hazardous and non-hazardous waste from its construction activities and office operations. The Group is committed to managing waste responsibly through proper handling, storage and disposal practices, with the aim of minimising environmental impact and ensuring compliance with applicable regulatory requirements.

In the Malaysian regulatory context, hazardous waste is classified as “scheduled waste” under the Environmental Quality (Scheduled Wastes) Regulations 2005. References to hazardous waste in this Report correspond to “scheduled wastes” as defined under the applicable regulations.

Waste management practices are implemented across project sites and offices, including waste segregation, regular housekeeping and monitoring of waste generation. Non-hazardous waste is managed through segregation and recycling initiatives where applicable, while hazardous waste is subject to stricter controls, including secure storage, proper labelling and inventory tracking.

Hazardous and non-hazardous waste generated from the Group’s operations are handled and disposed of by contractors licensed by the relevant authorities, in accordance with applicable regulatory requirements.

The Group’s operations in Malaysia are subject to environmental laws and regulations, including the Environmental Quality Act 1974 and its subsidiary regulations relating to scheduled wastes. The Group ensures that hazardous waste is managed and disposed of in compliance with these requirements.

The quantity of waste generated is influenced by the nature, scale and stage of construction activities during the Reporting Period. Variations in waste generation across reporting periods may arise due to differences in project scope, construction phases and operational activities.

The Group’s waste generation for the Reporting Period is summarised below:

Wastes	Unit	2025	2024	2023
Non-hazardous wastes	kg	495.40	5.52	1.45
Hazardous wastes	kg	410.70	223.00	0
Wastes Intensity	Unit	2025	2024	2023
Non-hazardous wastes intensity	kg/ MYR million of revenue	3.37	0.04	0.02
Hazardous wastes intensity	kg/ MYR million of revenue	2.79	1.68	0

ENVIRONMENTAL DATA, REPORTING BASELINE AND TARGETS

Environmental Data and Reporting Basis

As this is the Group's inaugural ESG Report, the Reporting Period represents the first year of structured environmental data collection across key performance indicators.

The Group has compiled environmental data covering FY2023 to FY2025 to provide a basis for trend analysis and improved comparability across reporting periods. Greenhouse gas emissions for FY2025 have been calculated using standardised methodologies, and the Group will continue to enhance consistency in methodologies applied across historical data.

The Group will continue to enhance its data collection systems and improve the consistency and comparability of environmental data across its operations in future reporting periods.

Environmental Targets and Performance

The Group recognises the importance of setting measurable environmental targets to manage its impacts and improve performance over time. In view of the need to ensure data accuracy, completeness and consistency, formal quantitative environmental targets have not been established for the Reporting Period.

The Group will progressively strengthen its monitoring processes to support target setting and performance tracking.

The Group remains committed to improving its environmental performance and will disclose progress against established targets in subsequent reporting periods.

USE OF RESOURCE

The Group utilises energy and water resources in its construction activities and office operations. The Group is committed to promoting efficient use of resources and reducing consumption through operational controls and continuous monitoring.

Environmental, Social and Governance Report

Energy Management

Energy consumption within the Group primarily arises from fuel usage in construction machinery and vehicles, as well as electricity consumption at project sites and offices.

To improve energy efficiency, the Group implements various operational measures, including optimising the use of diesel-powered equipment, promoting fuel-efficient transportation, reducing unnecessary idling of machinery, and adopting energy-saving practices at offices and project sites such as switching off electrical equipment when not in use and utilising energy-efficient lighting.

The Group's total energy consumption and energy intensity for the Reporting Period are summarised below:

Energy Data	Unit	2025	2024	2023
Gasoline for mobile combustion	MWh	1,548.26	1,382.63	116.70
Diesel for mobile combustion	MWh	344.21	160.71	64.04
Purchased electricity	MWh	267.2	265.28	152.68
Total	MWh	2,159.67	1,808.62	333.42

Fuel consumption was converted to energy units (MWh) using net calorific values based on the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for National Greenhouse Gas Inventories.

Energy Intensity	Unit	2025	2024	2023
Energy intensity	MWh/ MYR million of revenue	14.67	13.60	4.34

The increase in energy intensity in 2025 was primarily due to higher fuel consumption from an expanded vehicle fleet deployed for new project across the peninsular Malaysia region as compared to previous years, with revenue contribution yet to be realised, resulting in a temporary increase. Intensity is expected to normalise as the project progresses.

Energy Efficiency Targets

The Group currently focuses on implementing operational measures to improve energy efficiency across its activities. While formal quantitative energy efficiency targets have not been established, the Group continues to monitor energy consumption trends and will consider setting measurable targets as its data management processes mature.

Water Management and Efficiency

Water is primarily used for construction activities and general site operations. The Group recognises the importance of responsible water use and implements measures to minimise wastage and improve efficiency.

Water conservation practices include regular inspection of water supply systems to prevent leakage, use of water-efficient equipment where practicable, and promoting awareness among site personnel on responsible water usage.

The Group did not encounter any significant issues in sourcing water that is fit for purpose during the Reporting Period.

The Group's total water consumption and water intensity for the Reporting Period are summarised below:

Water Consumption	Unit	2025	2024	2023
Total	m ³	7,250	6,642	3,605

Water Intensity	Unit	2025	2024	2023
Water consumption intensity	m ³ / MYR million of revenue	49.25	49.94	46.94

Water consumption increased in 2025 in line with higher operational activities. However, water intensity remained broadly unchanged at approximately 49–50 m³ per MYR million of revenue, indicating consistent water usage relative to revenue.

Packaging Materials

The Group's operations do not involve the production of finished goods and therefore do not utilise packaging materials. Accordingly, this KPI is not applicable to the Group.

Environmental, Social and Governance Report

THE ENVIRONMENTAL AND NATURAL RESOURCES

The Group's construction activities have potential impacts on the environment and natural resources, particularly in relation to energy consumption, water usage, emissions and waste generation. These impacts are primarily associated with the use of machinery and materials at project sites, as well as supporting operational activities.

Environmental considerations are integrated into the Group's day-to-day operations, with site-level practices aimed at reducing resource consumption and minimising environmental disturbance. The Group also ensures compliance with applicable environmental laws and regulations in Malaysia, including requirements relating to emissions, wastewater discharge and waste management.

During the Reporting Period, the Group implemented project-specific environmental initiatives where feasible. This includes the installation of solar-powered street lighting at a project site, which utilises renewable energy to reduce electricity consumption and contribute to lower carbon emissions, while also enhancing safety through improved nighttime visibility.

The management approaches and specific measures adopted by the Group are further described in the Environmental Management, Emissions Management, Waste Management and Use of Resources sections of this Report.

CLIMATE CHANGE RISKS AND MANAGEMENT APPROACH

The Group recognises that climate change presents both physical and transition risks that may impact its operations, project delivery and long-term business sustainability.

Physical risks may arise from changes in weather patterns, including increased frequency and intensity of rainfall, flooding and extreme weather events, which may affect construction schedules, site conditions and infrastructure resilience. Transition risks may arise from evolving regulatory requirements, increasing expectations on emissions management, and the shift towards a lower-carbon economy.

Where relevant, climate-related risks are considered in project planning and execution, particularly in relation to site conditions, construction methods and environmental controls. The Group also promotes awareness of environmental and climate-related considerations among site personnel through training and briefings.

At this stage, the Group's approach to climate change remains at a developing stage, with a focus on building internal awareness and strengthening data management processes. The Group will continue to enhance its assessment and management of climate-related risks and opportunities over time, in line with business needs and regulatory developments.

The key climate-related risks identified by the Group are summarized below:

Climate Change Risks	Potential Impacts and Management Approach
Acute physical risks	Extreme weather events, including heavy rainfall and flooding, may affect construction schedules, site conditions and asset integrity, potentially leading to project delays and increased repair and maintenance costs. The Group manages these risks through site planning, monitoring of weather conditions and implementation of appropriate contingency measures to enhance operational resilience.
Chronic physical risks	Long-term changes in climate patterns, including rising temperatures and more frequent heatwaves, may affect workforce productivity and increase operational costs, including energy consumption for site operations. The Group monitors evolving climate conditions and incorporates appropriate mitigation measures in project execution and site management practices where relevant.
Transition risks	The transition to a low-carbon economy, including evolving regulatory requirements and increasing expectations on emissions management and climate-related disclosures, may affect the Group's operations and market competitiveness. The Group monitors regulatory developments and industry trends and takes steps to improve its environmental performance and reporting practices in line with emerging expectations.

Environmental, Social and Governance Report

SECTION 5

SOCIAL RESPONSIBILITY

The Group recognises that responsible business practices extend beyond environmental management and include the well-being of its employees, business partners and the communities in which it operates. As a civil engineering contractor, the Group places emphasis on maintaining safe working conditions, upholding ethical standards, and delivering quality services in a responsible manner.

The Group is committed to complying with applicable laws and regulations in Malaysia and to promoting fair and responsible practices across its operations. Key areas of focus include employment practices, occupational health and safety, employee development, supply chain management, product and service responsibility, business ethics and community engagement.

EMPLOYMENT

The Group recognises that its employees are essential to the successful delivery of its projects and is committed to providing a fair, respectful and inclusive workplace. The Group adopts employment practices that comply with applicable labour laws and regulations in Malaysia, including the Employment Act 1955.

Employees are provided with clear terms of employment and remuneration in accordance with applicable laws and internal policies. The Group also maintains regular communication with employees to address workplace matters and support a conducive working environment.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to employment that would have a significant impact on the Group.

The Group's workforce composition and employee turnover for the Reporting Period are presented below:

Workforce Data		2025	2024	2023
Total number of employees		154	102	86
By Gender	Male	108 (70.13%)	67 (65.69%)	60 (69.77%)
	Female	46 (29.87%)	35 (34.31%)	26 (30.23%)
By Employment Type	Full-time	154 (100.00%)	102 (100.00%)	86 (100.00%)
By Position	Senior Management	10 (6.49%)	9 (8.82%)	9 (10.47%)
	Management/Supervisor	68 (44.16%)	58 (56.86%)	48 (55.81%)
	General Staff	76 (49.35%)	35 (34.31%)	29 (33.72%)
By Age Group	Below 30 years old	56 (36.36%)	23 (22.55%)	16 (18.60%)
	30 to 50 years old	78 (50.65%)	60 (58.82%)	52 (60.47%)
	Over 50 years old	20 (12.99%)	19 (18.63%)	18 (20.93%)
By Geographical Region	Malaysia	153 (99.35%)	101 (99.02%)	85 (98.84%)
	Taiwan	1 (0.65%)	1 (0.98%)	1 (1.16%)

Environmental, Social and Governance Report

Workforce Data		2025	2024	2023
Employee turnover rate¹		17	0	2
		(11.04%)	(0.00%)	(2.33%)
By Gender	Male	8	0	0
		(47.06%)	(0.00%)	(0.00%)
	Female	9	0	2
		(52.94%)	(0.00%)	(100.00%)
By Age Group	Below 30 years old	9	0	0
		(52.94%)	(0.00%)	(0.00%)
	30 to 50 years old	8	0	2
		(47.06%)	(0.00%)	(100.00%)
	Over 50 years old	0	0	0
		(0.00%)	(0.00%)	(0.00%)
By Geographical Region	Malaysia	17	0	2
		(100.00%)	(0.00%)	(100.00%)
	Taiwan	0	0	0
		(0.00%)	(0.00%)	(0.00%)

OCCUPATIONAL HEALTH AND SAFETY

The Group places strong emphasis on occupational health and safety, recognising that construction activities involve inherent risks that must be effectively managed. The Group is committed to providing a safe and healthy working environment for its employees, subcontractors and other personnel at project sites.

The Group's health and safety practices are guided by applicable laws and regulations in Malaysia, including the Occupational Safety and Health Act 1994 ("OSHA"). Safety requirements are implemented across project sites through established procedures, supervision and regular monitoring.

To manage workplace risks, the Group implements various safety measures, including conducting risk assessments prior to the commencement of works, establishing safe work procedures for construction activities, and enforcing the use of appropriate personal protective equipment ("PPE"). Regular site inspections and safety toolbox briefings are conducted periodically to identify potential hazards and ensure compliance with safety requirements.

During the Reporting Period, the Group recorded zero work-related fatalities, zero cases of work injury and zero lost days due to work-related incidents.

The Group was also not aware of any material non-compliance with relevant laws and regulations relating to occupational health and safety that would have a significant impact on the Group.

TRAINING AND DEVELOPMENT

The Group recognises that employees are critical to its sustainable development and supports their professional and personal growth through structured training and development programmes. This includes guiding their career paths through the enhancement of leadership capabilities and technical expertise.

As outlined in our Employee Handbook, we offer tailored training programs that align with the individual needs and capabilities of our employees. These programs are thoughtfully designed to address the diverse requirements of various departments and roles across the organisation.

Our Performance Appraisal system is designed to assess employee performance against established Company standards and objectives. The primary goal is to provide constructive feedback that supports continuous improvement and upholds performance expectations. Evaluation criteria include, but are not limited to, attendance, initiative, job knowledge, attitude, work quality and quantity, and adherence to Company discipline. The outcomes of these appraisals play a significant role in decisions related to salary adjustments, promotions, bonuses, and training opportunities. However, all such decisions remain at the sole discretion of management.

The Company recognises the vital role employees play in driving growth and success. We are committed to supporting their development both professionally and personally.

Environmental, Social and Governance Report

During the Reporting Period, the employee training profiles are summarised below:

Employees Trained		2025	2024	2023
Total		65	37	20
		(42.21%)	(36.27%)	(25.32%)
By Gender	Male	39	18	11
		(60.00%)	(48.65%)	(55.00%)
	Female	26	19	9
		(40.00%)	(51.35%)	(45.00%)
By Position	Senior Management	9	7	5
		(13.84%)	(18.92%)	(25.00%)
	Management/ Supervisor	28	20	11
		(43.08%)	(54.05%)	(55.00%)
	General Staff	28	10	4
		(43.08%)	(27.03%)	(20.00%)
Average Training Hours		2025	2024	2023
All employees		9.86	11.99	4.44
By Gender	Male	8.18	10.99	4.18
	Female	13.80	13.91	5.04
By Position	Senior Management	35.15	32.78	11.11
	Management/ Supervisor	9.31	10.19	4.65
	General Staff	7.03	9.63	2.03

LABOUR STANDARDS

The Group is committed to upholding fair labour practices and does not tolerate any form of child labour or forced labour in its operations. The Group's employment practices are aligned with applicable labour laws and regulations in Malaysia.

To prevent the occurrence of child labour and forced labour, the Group implements controls during the recruitment process, including verification of employees' identity documents to ensure that all employees meet the minimum legal working age. The Group also ensures that employment is voluntary and that employees are not subject to any form of coercion, forced labour or involuntary work arrangements.

The Group maintains clear employment terms and conditions and ensures that employees are engaged in accordance with applicable laws and regulations. Any identified non-compliance would be addressed promptly through appropriate corrective actions.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to the prevention of child labour and forced labour that would have a significant impact on the Group.

SUPPLY CHAIN MANAGEMENT

The Group relies on a network of suppliers and subcontractors to support its construction activities and project delivery. The Group recognises the importance of managing environmental and social risks within its supply chain and seeks to work with business partners that meet its operational and compliance standards.

The Group promotes responsible and ethical procurement practices and communicates its expectations on safety, environmental management and regulatory compliance to its suppliers and subcontractors. Contractors engaged in project works are required to comply with site-specific requirements, including safety procedures and environmental controls. The Group expects its suppliers and subcontractors to comply with applicable laws and regulations and adhere to site-specific requirements.

The performance of suppliers and subcontractors is monitored through ongoing project supervision and site-level oversight. Where issues are identified, appropriate actions are taken to address them in accordance with project requirements.

The Group will continue to enhance its supply chain management practices in line with operational needs and regulatory developments.

Environmental, Social and Governance Report

The number of suppliers and subcontractors engaged by the Group by geographical region is presented below:

Number of Suppliers	2025	2024	2023
Malaysia	50	45	36
Number of Subcontractors	2025	2024	2023
Malaysia	41	48	42

PRODUCT AND SERVICE RESPONSIBILITY

The Group is committed to delivering quality construction services that meet contractual requirements, applicable standards and regulatory expectations. The Group recognises the importance of maintaining service quality, ensuring safety in project execution and upholding its responsibilities to clients and stakeholders.

Quality and Project Control

Quality control is embedded in the Group's project management processes, with site-level controls implemented and subject to reporting to headquarters for oversight and quality-related discussions, ensuring construction works comply with approved specifications, technical requirements and relevant regulations.

Where quality issues are identified, corrective actions are taken promptly to address the issue and prevent recurrence. The Group emphasises continuous improvement in its service delivery to meet client expectations and maintain service reliability.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to product and service responsibility that would have a significant impact on the Group.

Service-related Complaints

The Group maintains communication channels with clients and stakeholders to address enquiries and feedback. Service-related complaints, if any, are recorded, reviewed and addressed in a timely manner. Corrective actions are implemented where necessary to resolve issues and improve service quality. The Group also monitors recurring issues to enhance its project delivery processes.

The Group conducts customer satisfaction assessments for completed projects. Based on feedback from selected projects during the Reporting Period, satisfaction levels were generally positive, with scores ranging from approximately 75% to 100%. Insights from these assessments are used to support continuous improvement in project delivery and client engagement.

In addition, the Group's contracts typically include a Defect Liability Period ("DLP") of 24 months, during which any defects identified are rectified in accordance with contractual obligations. This provides a structured mechanism for addressing post-completion issues and ensures that service quality and workmanship standards are upheld.

During the Reporting Period, no material complaints relating to service quality were recorded.

Protecting Intellectual Property

The Group respects intellectual property rights and complies with applicable laws and regulations relating to the protection of proprietary information, designs and documentation. Employees are expected to handle intellectual property responsibly in the course of their duties.

Quality Assurance

The Group is committed to delivering construction services that meet contractual requirements, applicable standards and regulatory expectations. Quality control is integrated into the Group's project management processes, with supervision and monitoring conducted throughout the project lifecycle.

The Group has implemented a Quality Management System certified to ISO 9001:2015 for the provision of construction and completion of infrastructure projects. This certification reflects the Group's commitment to maintaining consistent quality standards, operational efficiency and continuous improvement across its project delivery.

Privacy and Data Security

The Group recognises the importance of protecting personal and confidential information obtained during its business operations. The Group has established internal policies and procedures to safeguard data privacy and security, including restricting access to authorised personnel and implementing appropriate controls to prevent unauthorised disclosure.

The Group is committed to complying with applicable data protection laws and regulations in Malaysia. Measures are in place to manage data handling, storage and access, and to mitigate risks associated with data breaches.

Environmental, Social and Governance Report

ANTI-CORRUPTION AND ETHICAL BUSINESS

The Group is committed to conducting its business with integrity, transparency and accountability, and adopts a zero-tolerance approach to bribery, corruption and fraud across its operations and project activities. The Group complies with applicable laws and regulations in Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”) and Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

The Group has established internal policies and guidelines to promote ethical conduct and prevent bribery and corruption within the organisation. Further details of these governance measures and the relevant policies are set out in the Corporate Governance section of this report.

During the Reporting Period, employees participated in anti-corruption and ethics-related training, with a total of 178 training hours recorded, to reinforce understanding of the Group’s policies and expected standards of conduct. Following the training, the Group issued company-wide communications to reinforce key anti-corruption principles and expected behaviours among all employees.

As part of its ongoing efforts to strengthen its governance framework, the Group is progressing towards the implementation of an Anti-Bribery Management System aligned with ISO 37001:2025 Anti-bribery management systems, with a target to achieve certification.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to bribery, corruption and fraud that would have a significant impact on the Group.

COMMUNITY INVESTMENT

The Group recognises the importance of contributing to the communities in which it operates. As part of its commitment to responsible business practices, the Group supports community initiatives through donations and project-related engagement activities.

During the Reporting Period, the Group contributed to various community programmes in Malaysia, including support for educational institutions, local community organisations and social initiatives. These contributions were made through financial donations and sponsorships aligned with project locations and community needs. The Group’s community contributions are primarily focused on supporting local communities surrounding project sites, contributing to educational and social development initiatives and participating in community-based programmes where appropriate.

The total amount of donations made by the Group during the Reporting Period is summarised below:

Community Investment Data		2025	2024	2023
Malaysia	MYR	15,151	29,932	16,318

HKEX ESG REPORTING GUIDE INDEX

HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
Aspect A Environmental		
A1 Emissions	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.	Section 4 – Emissions Management
KPI A1.1	The types of emissions and respective emissions data.	Section 4 – Emission Management
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 4 – Emission Management
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 4 – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Section 4 – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Section 4 – Environmental Targets
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Section 4 – Waste Management

Environmental, Social and Governance Report

HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	Section 4 – Use of Resource
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ‘000s) and intensity (e.g. per unit of production volume, per facility).	Section 4 – Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Section 4 – Water Management and Efficiency
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Section 4 – Energy Efficiency Targets
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Section 4 – Water Management and Efficiency
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Section 4 – Packaging Materials
A3 The Environment and Natural Resources	Policies on minimising the issuer’s significant impact on the environment and natural resources.	Section 4 – The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Section 4 – The Environment and Natural Resources
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Section 4 – Climate Change Risk and Management Approach
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Section 4 – Climate Change Risk and Management Approach

HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
Aspect B Social		
B1 Employment	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Section 5 – Employment
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Section 5 – Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Section 5 – Employment
B2 Health and Safety	Information on: the policies; and compliance with relevant laws and regulations that have a significant impacts on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Section 5 – Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Section 5 – Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Section 5 – Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Section 5 – Occupational Health and Safety

Environmental, Social and Governance Report

HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Section 5 – Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Section 5 – Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Section 5 – Development and Training
B4 Labour Standards	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Section 5 – Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Section 5 – Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Section 5 – Labour Standards

HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B5 Supply Chain Management	Policies on managing environmental and social risks of supply chain.	Section 5 – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Section 5 – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Section 5 – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Section 5 – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Section 5 – Supply Chain Management

Environmental, Social and Governance Report

HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B6 Product Responsibility	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Section 5 – Product and Service Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Section 5 – Product and Service Responsibility
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Section 5 – Product and Service Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Section 5 – Product and Service Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Section 5 – Product and Service Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Section 5 – Product and Service Responsibility

HKEX ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B7 Anti-corruption	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Section 5 – Anti-Corruption and Ethical Business
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Periods and the outcomes of the cases.	Section 5 – Anti-Corruption and Ethical Business
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Section 5 – Anti-Corruption and Ethical Business
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Section 5 – Anti-Corruption and Ethical Business
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	Section 5 – Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Section 5 – Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Section 5 – Community Investment

Independent Auditor's Report



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF BBSB INTERNATIONAL LIMITED (incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of BBSB International Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 85 to 149, which comprise the consolidated statement of financial position as at 31 December 2025, 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.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, 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 International Standards on Auditing (“ISAs”). 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 judgment, 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.

KEY AUDIT MATTERS (continued)

Recognition of contract revenue for construction contracts

We identified construction contract revenue as a key audit matter as they are quantitatively significant to the consolidated financial statements as a whole.

As disclosed in Note 6 to the consolidated financial statements, the construction contracts revenue amounted to approximately RM147.2 million for the year ended 31 December 2025. As set out in Note 6 to the consolidated financial statements, the Group recognised contract revenue overtime by applying input method according to the progress towards complete satisfaction of the performance obligations on the basis of the actual cost incurred by the Group up to the year-end date as a percentage of total estimated costs for each project. Management assesses the total contracts and regularly reassesses these amounts and the financial impact with reference to the progress of construction works.

Our response:

- Understanding of and evaluating the Group’s process and control over contract revenue recognition and budget estimation;
- Assessing the appropriateness of the Group’s revenue recognition policy under the requirements of IFRS 15 “Revenue from contracts with customers”;
- Evaluating the estimation of revenue recognised from construction contracts;
- Testing the calculation of revenue recognised from construction contracts, including recalculating the stage of completion based on costs incurred to date against total estimated costs;
- Testing contract sums, approved variations and amounts recoverable to underlying agreements and supporting documentation, and reviewing subsequent billings and cash receipts where appropriate;
- Discussing with the Group’s management about the progress of the construction projects for any potential disputes, variation order, claims or significant events that could impact the estimated contract costs. For projects which are expected to be loss-making, we reviewed management’s assessment and assessed if adequate provision for onerous contracts has been recognised;
- Testing the supporting documents of the budget costs and actual costs, which include sub-contracting contracts, material purchase contracts/invoices and price quotations, etc.; and
- Performing retrospective reviews by comparing prior year cost estimates with actual outcomes for completed projects to assess the reliability of management’s estimation process and potential management bias.

Independent Auditor's Report

KEY AUDIT MATTERS (continued)

Estimation of expected credit losses ("ECL") of trade receivables and contract assets

We identified the ECL for trade receivables and contract assets as a key audit matter due to the significance of the balances to the consolidated financial statements as a whole, combined with the significant degree of estimation by management of the Group in estimation of ECL for trade receivables and contract assets which may affect their carrying values. As disclosed in Note 4.3 (ii) to the consolidated financial statements, management assesses the ECL for trade receivables and contract assets based on probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data, financial capability of the individual debtors and forward-looking information.

Our response:

- Understanding the processes and controls on how the management estimates the credit loss allowance for trade receivables and contract assets;
- Evaluating the competency, capability and objectivity of the specialist appointed by the Group and involving our specialist to evaluate appropriateness of the valuation methodology adopted and the reasonableness of the assumptions including estimated loss rates applied in each category in the collective assessment and forward-looking information;
- Assessing the appropriateness of management's estimates of loss allowance by examining the information used by management to derive such estimates, including testing the accuracy of category of customer groups and aging of debtors by comparing a sample of individual items with the related progress certificates, and obtaining historical credit loss data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's 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.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This report is made solely to you, as a body, in accordance with the terms of our 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 ISAs 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.

As part of an audit in accordance with ISAs, 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.

Independent Auditor's Report

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

- 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 work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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.

BDO Limited

Certified Public Accountants

Chan Wing Fai

Practising Certificate no. P05443

Hong Kong, 30 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 RM'000	2024 RM'000
Revenue	6	147,229	133,002
Cost of services		(117,460)	(107,338)
Gross profit		29,769	25,664
Other income and gains/(losses), net	7	2,710	2,362
Other operating expenses		(13,050)	(11,614)
Reversal of impairment losses under expected credit loss model, net	8	1,701	17,284
Listing expenses		(8,865)	-
Finance costs	9	(229)	(423)
Profit before income tax	12	12,036	33,273
Income tax expense	13	(5,747)	(7,084)
Profit and total comprehensive income for the year attributable to owners of the Company		6,289	26,189
Earnings per share			
- Basic and diluted (RM cents)	15	1.68	6.98

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RM'000	2024 RM'000
Non-current assets			
Property, plant and equipment	16	814	768
Right-of-use assets	17	2,533	3,040
Investment properties	18	5,279	7,295
Life insurance policy	19	3,666	3,603
Total non-current assets		12,292	14,706
Current assets			
Trade receivables, prepayments and other receivables	20	26,368	38,258
Amount due from a shareholder		8	–
Contract assets	21	75,294	32,928
Cash and bank balances	23	11,543	23,152
Total current assets		113,213	94,338
Total assets		125,505	109,044
Current liabilities			
Trade payables, accruals and other payables	24	59,163	43,812
Contract liabilities	21	3,838	2,562
Borrowings, secured	25	614	1,190
Lease liabilities	17	1,042	991
Current tax liability		1,594	1,833
Total current liabilities		66,251	50,388
Net current assets		46,962	43,950
Total assets less current liabilities		59,254	58,656

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RM'000	2024 RM'000
Non-current liabilities			
Borrowings, secured	25	1,890	2,505
Lease liabilities	17	1,422	1,942
Deferred tax liabilities	22	853	409
Total non-current liabilities		4,165	4,856
Total liabilities		70,416	55,244
NET ASSETS			
EQUITY			
Share capital	26	–	–
Merger reserve	26	3,500	3,500
Retained earnings		51,589	50,300
TOTAL EQUITY		55,089	53,800

On behalf of the board of Directors

Datuk Tan Chin Nyan
Director

Tan Tze Tung
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital RM'000 (Note 26(a))	Merger reserve RM'000 (Note 26(b))	Retained earnings RM'000 (Note 26(b))	Total RM'000
At as 1 January 2024	-	3,500	60,111	63,611
Profit and total comprehensive income for the year	-	-	26,189	26,189
Dividend approved in respect of the previous year (Note 14)	-	-	(10,000)	(10,000)
Dividend declared and approved in respect of the current year (Note 14)	-	-	(26,000)	(26,000)
As at 31 December 2024 and 1 January 2025	-	3,500	50,300	53,800
Profit and total comprehensive income for the year	-	-	6,289	6,289
Dividend declared and approved in respect of the current year (Note 14)	-	-	(5,000)	(5,000)
As at 31 December 2025	-	3,500	51,589	55,089

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 RM'000	2024 RM'000
Cash flows from operating activities		
Profit before income tax	12,036	33,273
Adjustments for:		
Depreciation of property, plant and equipment	238	349
Depreciation of investment properties	116	128
Depreciation of right-of-use assets	1,267	830
Gain on disposals of property, plant and equipment	(410)	(28)
Gain on disposal of an investment property	(50)	–
Gain on termination of leases	(5)	–
Reversal of impairment losses under expected credit loss model, net	(1,701)	(17,284)
Impairment losses on investment property	265	–
Change in fair value of life insurance policy	(63)	(24)
Interest income	(172)	(380)
Finance costs	321	628
Operating profit before working capital changes	11,842	17,492
(Increase)/decrease contract assets	(41,426)	15,598
Decrease in trade receivables, prepayments and other receivables	14,511	5,196
Increase in trade payables, accruals and other payables	14,355	10,871
Increase in contract liabilities	1,276	2,562
Cash generated from operations	558	51,719
Income tax refund	326	–
Income tax paid	(5,868)	(2,212)
Net cash (used in)/generated from operating activities	(4,984)	49,507
Cash flows from investing activities		
Purchases of property, plant and equipment	(284)	(503)
Payments on additions of right-of-use assets	(86)	(144)
Proceed from disposal of property, plant and equipment	410	28
Proceed from disposal of an investment property	2,500	–
Withdrawals of deposit pledged to licensed banks	1,370	10,570
Interest received from short-term deposit	172	380
Net cash generated from investing activities	4,082	10,331

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 RM'000	2024 RM'000
Cash flows from financing activities		
Dividend paid	(5,000)	(41,000)
Interest paid	(152)	(384)
Payment of interest element of expenses on lease liabilities	(169)	(244)
Payment of capital element of lease liabilities	(1,138)	(760)
Payment of listing expenses relating to new shares to be issued	(1,788)	-
Repayment of borrowings, secured	(1,100)	(1,642)
Advance to a shareholder	(8)	-
Advances from directors	18	3
Net cash used in financing activities	(9,337)	(44,027)
Net (decrease)/increase in cash and cash equivalents	(10,239)	15,811
Cash and cash equivalents at beginning of year	15,328	(483)
Cash and cash equivalents at end of year	5,089	15,328
Represented by:		
Cash at bank and on hand	5,089	15,328
Deposits with licensed banks	6,454	7,824
Total cash and bank balances	11,543	23,152
Less:		
Deposit pledged to licensed banks	(6,454)	(7,824)
Cash and cash equivalents	5,089	15,328

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL

BBSB International Limited (the “Company”) is a limited liability company incorporated on 30 May 2025 in the Cayman Islands. The registered office and principal place of business of the Company are located at P. O. Box 500, Suite 210, 2nd Floor, Windward III, Regatta Office Park, Grand Cayman, KY1-1106, Cayman Islands and B-03-32, Block B, Merchant Square, No.1 Jalan Tropicana Selatan 1, PJU 3, 47410 Petaling Jaya, Selangor, Malaysia, respectively.

The principal activity of the Company is an investment holding company and the Group is principally engaged in provision of civil engineering services in Malaysia.

The Company’s shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 13 January 2026.

The ultimate holding company of the Company is BBSB Overseas Private Ltd., a company incorporated in the British Virgin Islands (“BVI”) with limited liability, and Datuk Tan Chin Nyan (“Datuk Tan”) and Datin Pan Shao-Ping (“Datin Pan”), are the controlling shareholders of the ultimate holding company.

2. ADOPTION OF IFRS ACCOUNTING STANDARDS

(a) Adoption of revised standards and interpretations – effective on 1 January 2025

Amendments to IAS 21	Lack of Exchangeability
----------------------	-------------------------

The adoption of the revised IFRS Accounting Standards had no material impact on the Group’s consolidated financial statements.

(b) Issued but not yet effective IFRS Accounting Standards

The following new and amended IFRS Accounting Standards, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvement to IFRS Accounting Standards – Volume 11 ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²
IAS 21	Translation to a hyperinflationary presentation currency ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after a date to be determined.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. ADOPTION OF IFRS ACCOUNTING STANDARDS (continued)

(b) Issued but not yet effective IFRS Accounting Standards (continued)

IFRS 18 Presentation and Disclosure in Financial Statements sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 “Presentation of Financial Statements”. The new IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial liability is derecognised on the ‘settlement date’, i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLI). Additional disclosures for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are also introduced.

The directors of the Company is in the process of assessing the potential impact of the above, other than IFRS 18 and amendments to IFRS 9 and IFRS 7, the directors do not anticipate that the application of all new and amendments to IFRSs will have material impact on the consolidated financial statements in the foreseeable future.

3. GROUP REORGANISATION AND BASIS OF PRESENTATION AND PREPARATION

(a) Group Reorganisation

Prior to the group reorganisation (the “Group Reorganisation”), BBSB Holdings Sdn. Bhd. (“BBSB Holdings”) was collectively controlled by Datuk Tan and Datin Pan (together referred to as the “Controlling Shareholders”).

Pursuant to Group Reorganisation carried out by the Group in preparation for the listing of shares of the Company on the GEM of the Stock Exchange, the Company became the holding company of the subsidiaries now comprising the Group on 22 December 2025.

Details of the Group Reorganisation are set out in the paragraph headed “Reorganisation” in the section “History, Reorganisation and Corporate Structure” in the Prospectus issued by the Company dated 31 December 2025.

3. GROUP REORGANISATION AND BASIS OF PRESENTATION AND PREPARATION (continued)

(b) Basis of presentation

The Group Reorganisation also involved inserting new holdings entities at the top of an existing company and has not resulted in any change of economic substances and were controlled by the Controlling Shareholders before and immediately after the Group Reorganisation.

Upon the completion of the Group Reorganisation, the Company holds the entire equity interests, directly or indirectly, of companies comprising the Group.

Accordingly, 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 of the Group for the year ended 31 December 2025 have been prepared using the principles of merger accounting as if the current group structure had been in existence throughout those years, or since their respective dates of incorporation or establishment of the combining companies, whichever was shorter. The consolidated statement of financial position of the Group as at 31 December 2025 have been prepared to present the assets and liabilities of the companies now comprising the Group at that date, as if the current group structure had been in existence as at that date. The assets and liabilities of the Group were combined using their carrying values. All significant intra-group transactions and balances have been eliminated on consolidation.

(c) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing Securities on GEM of the Stock Exchange.

(d) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis, except for the life insurance policy held by the Group, which have been measured at fair value.

(e) Functional and presentation currency

The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Group, and all values are rounded to the nearest thousands, except when otherwise indicated.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES

4.1 Basis of combination

The consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee). The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are combined from the date on which the Group obtains control, and continue to be combined until the date that such control ceases. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

4.2 Property, plant and equipment

All items of 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. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

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 the reporting period. The principal annual rates are as follows:

Renovation	20%
Plant and machinery	15%–20%
Furniture and fittings office and computer equipment	20%
Motor vehicles	20%

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in the profit or loss on disposal.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivables without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. Trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and their gross carrying amount is reduced by impairment losses.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Group measures loss allowances at an amount equal to 12 months ECLs, except when their credit risk has increased significantly since initial recognition, in which case, are measured at lifetime ECLs. Specifically, loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, 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, that includes forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

(ii) Impairment loss on financial assets (continued)

At each reporting date, the Group also assesses 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 debtor;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. 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. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(iii) Financial liabilities

The Group classifies its financial liabilities at amortised cost. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred. Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in accordance with Note 4.10.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

(iv) 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 the Company are recorded at the proceeds received, net of direct issue costs.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivables is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4.4 Investment properties

Investment property is property that held for long-term rental yields and/or for capital appreciation. Investment properties (other than investment properties under construction) are initially recognised at cost, which include transaction costs, and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives of 50 years.

The residual values, useful lives and depreciation method of investment property is reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise. Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Investment properties under construction are stated at cost less any impairment losses and are not depreciated until such time when the assets are available for use.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

4.5 Leases

Accounting as a lessee

All leases are capitalised in the statement of financial position as right-of-use assets and lease liabilities, except for leases which are short-term leases for which the Group has elected not to recognise. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use assets

The right-of-use asset is 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. The Group measures the right-to-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Depreciation is provided over the lease term on a straight-line basis.

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, the Group uses the lessee's incremental borrowing rate.

In calculating the present value of lease payments, the Group uses the lessee's incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Accounting as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for in accordance with Note 4.6.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.6 Revenue and other income

Income is classified by the Group as revenue when it arises from the sales of good or the provision of services in the ordinary course of the Group's business. Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from construction contracts

The Group's construction contracts generally includes promises to provide labour and materials, as well as a guarantee that the constructed asset is free from defects for a period of one to two years after completion ("defect liability period") and the Group has determined that these contracts generally contains only a single performance obligation as there is significant integration of different promised goods or services underlying a construction contract. The Group acts as a principal in these transactions as the Group is primarily responsible for fulfilling the promise to provide the services, the third party suppliers (including subcontractors) do not have a contractual relationship with the customer and the Group has discretion in establishing the prices and selecting the suppliers.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. The Group has assessed that these construction contracts qualify for over time revenue recognition as the assets to be constructed have no alternative use for the Group, and the Group generally has enforceable rights to payment for performance completed to date. The stage of completion is assessed by reference to the contract costs incurred to date in proportion to the total estimated contract costs of each contract. Transaction price in a contract is based on the price specified in the contract, net of penalties and sales and service taxes. Penalties represents a form of variable consideration and accumulated experience is used to estimate and provide for the penalties, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. At the end of each reporting period, the Group updates this estimates to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, a provision is recognised in accordance with Note 4.12.

The Group normally receives progress payment from customers on a monthly or quarterly basis with reference to the value of works performed and the Group takes advantage of the practical expedient in IFRS 15.63 and does not adjust the consideration for any effects of a significant financing component as the period between when the Group receives consideration and transferring control of goods or service is one year or less.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

4.6 Revenue and other income (continued)

(i) Revenue from construction contracts (continued)

The Group requires certain customers to provide advance payment ranging from 5% to 10% of total contract sum. The deposit received by the Group before the project commences will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount received. If the value of the work performed exceeds payments received from a customer, a contract asset is recognised. Contract assets are transferred to trade receivables when the rights to consideration become unconditional. The Group typically transfers its contract assets to trade receivables when progress certificate/invoice is issued. At each reporting date, contract asset is assessed for impairment on the same basis as trade receivable.

The Group also agrees 5%–10% of the total contract sum as retention money, which generally will be released after the expiry of the defect liability period. Retention receivables are initially classified as contract assets and is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the services performed comply with agreed upon specifications and such assurance cannot be purchased separately. Retentions receivable is intended to protect the customer from the Group's failing to adequately complete its obligations under the contract, rather than for the provision of finance. The Group accounts for this in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and had not accounted for as separate performance obligations and hence no consideration is allocated to them.

When there is a change in the scope and/or change in price of a contract (e.g. variation order and contract claims), the effect of the modification is recognised when they are approved by customer. Generally, modification to construction contract is not accounted for as a separate contract. Contract modification is accounted for as if it were a part of the existing contract and, therefore, form part of a single performance obligation that is partially satisfied at the date of the contract modification. The effect that the contract modification has on the contract sum and on the Group's measures of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification (i.e. the adjustment to revenue is made on a cumulative catch-up basis). For approved modifications where a change in price has not been agreed, they are accounted for following the requirement in relation to variable consideration.

(ii) Interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost, and is calculated by applying the effective interest rate to the gross carrying amount when the asset is not credit-impaired. For financial assets that have become credit-impaired, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

(iii) Rental income

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.7 Income tax

Income tax for the year comprises current tax and deferred tax. Income taxes are generally recognised in profit or loss.

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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received, reflecting any uncertainty related to income tax.

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. 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. 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.

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.

4.8 Employee benefits

(i) Short-term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. Short term employee benefits are recognised in the period when the employees render the related service.

(ii) Defined contribution retirement plan

The employees of the Group are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

4.9 Impairment of non-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
- right-of-use assets
- investment properties

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised as in profit or loss immediately.

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.

4.10 Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.11 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time when the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.12 Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reliably estimated. Specifically, provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4.13 Accounting for life insurance policy as policyholder

The Group initially recognised the policy at contribution paid and subsequently remeasured at fair value at each reporting period. Change in fair value during each of the reporting period are recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors 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 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 judgments in applying accounting policies

Judgements in determining performance obligations and timing of satisfaction of performance obligations

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(a) Critical judgments in applying accounting policies (continued)

Judgements in determining performance obligations and timing of satisfaction of performance obligations (continued)

Performance obligation determination

In making their judgements, the directors of the Company considered the detailed criteria for recognition of revenue set out in IFRS 15. In determining performance obligations, the directors of the Company consider whether the customer benefits from each service on its own and whether it is distinct in the context of the contract. Specifically, when concluding a contract has multiple performance obligations, the directors of the Company consider that any promised service is regularly sold separately and is separately identifiable from other promises within the contract. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Determination of progress towards complete satisfaction of a performance obligation

The Group determined that the input method is the best method in measuring the progress of the provision of construction services because information required to apply the output method is not available to the entity without undue cost and there is a direct relationship between the Group's effort (e.g., labour hours expended and materials consumed) and the transfer of services to the customer. The Group recognises revenue on the basis of the cost incurred relative to the total expected costs to complete the project. The total expected costs to complete the project and hence recognition of contract revenue also requires significant management judgment and involves estimation uncertainty. Estimated contract costs of individual contract, which mainly comprise direct labour, direct materials and subcontracting charges and an appropriation of variable and fixed construction overheads. In estimating the total budget costs for construction contracts, management makes reference to information such as (i) costs incurred up-to-date; (ii) current offers from sub-contractors and suppliers; (iii) recent offers agreed with sub-contractors and suppliers; and (iv) project staff costs and other costs estimated by the project manager. In order to ensure that the estimated total contract costs are accurate and up-to-date such that contract revenue can be estimated reliably, management reviews the contract budget, costs incurred to date and costs to completion regularly, in particular in the case of costs over-runs, and revises the estimated contract costs where necessary. Notwithstanding that the management regularly reviews and revises contract budgets when those construction contracts progressed, the actual contract costs and gross profit margin achieved may be higher or lower than the estimates and that will affect the revenue and gross profit recognised in the consolidated financial statements.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(a) Critical judgments in applying accounting policies (continued)

Judgements in determining performance obligations and timing of satisfaction of performance obligations (continued)

Contract modification

Contracts are often modified due to changes in contract specifications and requirements. The Group may also seek claims for amounts in excess of the contract price for errors in specifications and designs or delays caused by customers. The customer or their authorised representatives may agree in full with the modifications or claims. But on certain projects, the Group have submitted but pending full agreement with the contract modifications and/or affirmative claims to recover additional costs and the associated profit, to which management believes the Group is entitled under the terms of contracts with customers and there is legal basis for those claims. Under these circumstances, contract modifications exist as it either creates new or changes the rights and obligations that are enforceable. Changes to the transaction price are made to the extent that additional revenue on a claim settlement with a customer is highly probable. Recognising revenue from affirmative claims requires significant judgments of certain factors including, but not limited to, dispute resolution developments and outcomes, anticipated negotiation results, and the cost of resolving such matters.

(b) Key sources of estimation uncertainty

In addition to the information disclosed elsewhere in these financial statements, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(i) Impairment of trade receivables and contract assets

As described in the policy in Note 4.3(ii) and Note 4.6, the loss allowance for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which may impact the debtors' ability to repay the outstanding balances in order to estimate the ECLs for the loss allowance. In addition, management also reviewed the credit risk of individual debtors by considering the nature of transactions, relationship with customers and their financial position, etc. to assess whether any increase in credit risk which may trigger further specific provision at the end of the reporting period.

(ii) Income tax and deferred tax

Judgment is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Deferred tax assets are recognised for all unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the losses and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Key sources of estimation uncertainty (continued)

(iii) Impairment of non-financial assets

As described in the policy in Note 4.9, the Group assesses at the end of each reporting period for any indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset which is the higher of value-in-use and fair value less cost of disposal. When value-on-use calculations are undertaken, the Group is required to make an estimate of the expected future cash flows from the asset and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated recoverable amount will result in an adjustment to the estimated impairment provision previously made.

(iv) Estimation of variable considerations

Most of construction contracts include contractual penalties that give rise to variable consideration. Variation consideration also arise when the Group seeks to collect claims from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration given there is a range of possible consideration amount. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, current negotiations with customers, and the current economic conditions. Estimates of expected successful claims or penalties to be incurred are sensitive to changes in circumstances and may not be representative of the actual outcome in the future. Any significant changes in such estimate will impact the amount of contract revenue recognised by the Group.

(v) Warranties

The Group generally provides assurance-type warranties for work performed under its construction contracts. The warranties cover defects in materials, design or workmanship, and most warranty periods typically run from 12 to 24 months after the completion of construction on a particular project. Warranty costs are estimated based on experience with the type of work and any known risks relative to each completed project. The provision of liabilities, which are established to cover estimated future assurance-type warranty costs, are recorded as the contracted work is performed. The liability amounts are periodically adjusted to reflect changes in the estimated size and number of expected warranty claims. Because of the requirements of the Group's projects, including project owner inspections of the work both during construction and prior to substantial completion, the Group has not experienced material unexpected warranty costs in the past and no provision for warranty was recognised at each reporting date.

6. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Disaggregation of revenue from contracts with customers:

	2025 RM'000	2024 RM'000
Overtime: Construction contracts	147,229	133,002

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

	Construction contract	
	2025 RM'000	2024 RM'000
Within one year	190,359	139,871
More than one year but not more than four years	217,210	303,761
	407,569	443,632

(b) Segment reporting

(i) Segment information

The Group has only one reportable operating segment, which is provision of construction service in Malaysia. The information reported to the executive directors of the Company, who are the chief operating decision makers of the Group for the purposes of resources allocation and assessment of performance, is the financial information of the Group as a whole as reported under IFRSs. The executive directors allocate resources and assess performance of the business of the Group on an aggregated basis, accordingly, no reportable segment information is presented.

(ii) Geographic information

The Group generated all revenue in the Malaysia and its non-current assets are substantially located in the Malaysia, and accordingly, no analysis of geographic information is presented.

(c) Information about major customers

Revenue attributable from customers that accounted for 10% or more of the Group's total revenue during the years ended 31 December 2025 and 2024 are as follows:

	2025 RM'000	2024 RM'000
Customer A	51,866	65,363
Customer B	83,400	33,699
Customer C	N/A	13,797

N/A: The revenue did not exceed 10% of the Group's revenue.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. OTHER INCOME AND GAINS/(LOSSES), NET

	2025 RM'000	2024 RM'000
Other income		
Interest income from short-term deposits	172	380
Other services income (Note)	2,226	1,577
Others	49	353
	2,447	2,310
Other (losses)/gains, net		
Gain on disposals of property, plant and equipment	410	28
Gain on lease termination	5	-
Gain on disposal of investment property	50	-
Impairment losses on investment property (Note 18)	(265)	-
Change in fair value of life insurance policy	63	24
	263	52
Total	2,710	2,362

Note: This represents the amount of consideration receivable from the suppliers that is in excess of the costs incurred on their behalf.

8. REVERSAL OF/(PROVISION FOR) IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET

	2025 RM'000	2024 RM'000
Reversal of/(provision for) impairment losses recognised on:		
- Trade receivables (Note 20(a))	741	16,696
- Contract assets (Note 21)	940	37
- Other receivables (Note 20(b))	(71)	557
- Financial guarantee contracts (Note 25)	91	(6)
	1,701	17,284

9. FINANCE COSTS

	2025 RM'000	2024 RM'000
Interest on borrowings, secured	152	384
Interest expenses on lease liabilities (Note 17)	169	244
	321	628
Less:		
Interest expenses on lease liabilities recognised in cost of sales	(67)	(182)
Interest expenses on lease liabilities recognised in other operating expenses	(25)	(23)
	229	423

10. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' REMUNERATION

	2025 RM'000	2024 RM'000
Wages and salaries (including directors' remuneration)	12,801	12,467
Discretionary bonus	474	411
Contributions to defined contribution plan	925	741
Other employee benefits	1,218	1,245
	15,418	14,864

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH FIVE HIGHEST PAID

(a) Directors' remuneration

The remuneration of each director of the Company paid/payable by the Group for the year are as follows:

2025

	Fees RM'000	Salaries, allowances and benefits in kind RM'000	Discretionary bonus* RM'000	Contributions to defined contribution plan RM'000	Total RM'000
Executive directors:					
Datuk Tan	-	881	57	195	1,133
Mr. Tan Tze Tung ("Mr. Andy Tan") (Note 1)	-	60	-	6	66
Ms. Tan Xin Yi (Note 2)	-	32	-	3	35
	-	973	57	204	1,234
Independent non-executive directors:					
Mr. Ooi Kim Chai (Note 3)	-	-	-	-	-
Mr. Lee Tuan Meng (Note 4)	-	-	-	-	-
Ms. Norkamaliah Binti Hashim (Note 5)	-	-	-	-	-
	-	-	-	-	-

11. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH FIVE HIGHEST PAID (continued)

(a) Directors' remuneration (continued)

2024

	Fees RM'000	Salaries, allowances and benefits in kind RM'000	Discretionary bonus* RM'000	Contributions to defined contribution plan RM'000	Total RM'000
Executive directors:					
Datuk Tan	-	763	55	173	991
Mr. Andy Tan (Note 1)	-	-	-	-	-
Ms. Tan Xin Yi (Note 2)	-	-	-	-	-
	-	763	55	173	991
Independent non-executive directors:					
Mr. Ooi Kim Chai (Note 3)	-	-	-	-	-
Mr. Lee Tuan Meng (Note 4)	-	-	-	-	-
Ms. Norkamaliah Binti Hashim (Note 5)	-	-	-	-	-
	-	-	-	-	-

Notes:

- Mr. Andy Tan was appointed as executive director of the Company on 30 May 2025.
 - Ms. Tan Xin Yi was appointed as executive director of the Company on 30 May 2025.
 - Mr. Ooi Kim Chai was appointed as independent non-executive director of the Company on 16 December 2025.
 - Mr. Lee Tuan Meng was appointed as independent non-executive director of the Company on 16 December 2025.
 - Ms. Norkamaliah Binti Hashim was appointed as independent non-executive director of the Company on 16 December 2025.
- * Discretionary bonus granted to directors with reference to the Group's performance.

During the year, none of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office. The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as the Directors.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. DIRECTORS' REMUNERATION AND INDIVIDUALS WITH FIVE HIGHEST PAID (continued)

(b) Individuals with five highest emoluments

Of the five individuals with the highest emoluments for the years included 1 director (2024: 1) for the year ended 31 December 2025, whose emoluments are disclosed in Note 11(a). The remuneration of the remaining 4 and 4 highest paid individuals for the year are as follows:

	2025 RM'000	2024 RM'000
Salaries, allowances and benefits in kind	1,097	1,115
Discretionary bonus	86	84
Contributions to defined contribution plan	93	95
Other employee benefits	198	112
	1,474	1,406

The emoluments are within the following bands:

	No. of individuals	
	2025	2024
Nil to HKD1,000,000	4	4
HKD1,000,001 to HKD1,500,000	-	-

During the year, none of the five highest paid individuals waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

12. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	2025 RM'000	2024 RM'000
Included in cost of services:		
– Construction materials and supplies	23,919	15,491
– Subcontracting costs	78,046	77,900
Auditor's remuneration	624	200
Listing expenses	8,865	–
Depreciation of property, plant and equipment	238	349
Depreciation of investment properties	116	128
Depreciation of right-of-use assets		
– Land and buildings	741	517
– Motor vehicles	526	313
Expenses relating to short-term leases (included in cost of sales)	2,151	1,593
Employee benefit expenses (Note 10)	15,418	14,864

13. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of profit or loss and comprehensive income represents:

	2025 RM'000	2024 RM'000
Current tax		
– Current year	5,394	4,371
– Over provision in prior years	(91)	(21)
	5,303	4,350
Deferred tax (Note 22)	444	2,734
Income tax expense	5,747	7,084

The Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated taxable profits for the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. INCOME TAX EXPENSE (continued)

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules (“Pillar Two Model Rules”) for a new global minimum tax reform applicable to large multinational enterprises. The Group operates in jurisdictions where the Pillar Two Model Rules have either been enacted or are already effective. However, as the Group’s estimated effective tax rates of all jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Pillar Two Model Rules based on management’s best estimate, the directors of the Company considered the Group is not liable to top-up tax under the Pillar Two Model Rules.

Following the exemption required by IAS 12, the Group has not recognised deferred tax assets and liabilities, if any related to Pillar Two income tax.

The income tax expense for the years can be reconciled to the profit before income tax in the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RM’000	2024 RM’000
Profit before income tax	12,036	33,273
Tax calculated at the applicable statutory tax rate of 24% in the Malaysia	2,889	7,985
Over provision in prior years	(91)	(21)
Tax effect of income not taxable for tax purpose	(61)	(51)
Tax effect of expense not deductible for tax purpose	2,964	625
Utilisation of previously unrecognised deductible temporary differences	-	(1,454)
Under provision of deferred tax expenses in prior years	46	-
Income tax expense	5,747	7,084

14. DIVIDENDS

	Per ordinary share		Total	
	2025 RM	2024 RM	2025 RM'000	2024 RM'000
First interim dividend declared and approved	1.43	0.43	5,000	1,500
Second interim dividend declared and approved	-	1.00	-	3,500
Third interim dividend declared and approved	-	1.43	-	5,000
Fourth interim dividend declared and approved	-	1.77	-	6,000
Fifth interim dividend declared and approved	-	2.86	-	10,000
			5,000	26,000

Dividend paid to shareholders of the Group attributable to the previous financial year, approved and paid during the year:

	2025 RM'000	2024 RM'000
Fifth interim dividend in respect of the year ended 31 December 2023 of RM2.86 per ordinary share	-	10,000

The directors do not recommend the payment or declaration of any final dividend for the year ended 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. EARNINGS PER SHARE

The calculations of basic earnings per share are based on:

	2025 RM'000	2024 RM'000
Earnings for the purposes of calculating basic earnings per share	6,289	26,189
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share (Note)	375,000,000	375,000,000

Note: The weighted average number of 375,000,000 ordinary shares for the years ended 31 December 2025 and 2024, being the number of shares in issue immediately after the completion of capitalisation issue of shares as detailed in Note 36 to the consolidated financial statements, are deemed to have been issued throughout the years ended 31 December 2025 and 2024.

Diluted earnings per share is same as basic earnings per share as there was no dilutive potential shares for the years ended 31 December 2025 and 2024.

16. PROPERTY, PLANT AND EQUIPMENT

	Renovation RM'000	Plant and machinery RM'000	Furniture and fitting, office and computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost					
As at 1 January 2024	509	6,682	1,479	5,442	14,112
Additions	-	126	377	-	503
Disposals	-	-	-	(377)	(377)
Transfer from right-of-use assets (Note 17)	-	-	-	595	595
As at 31 December 2024 and 1 January 2025	509	6,808	1,856	5,660	14,833
Additions	-	96	188	-	284
Disposals	-	(1,129)	-	(446)	(1,575)
Write-off	-	(76)	(483)	-	(559)
As at 31 December 2025	509	5,699	1,561	5,214	12,983
Accumulated depreciation					
As at 1 January 2024	424	6,552	1,101	5,421	13,498
Provided for the year	53	122	168	6	349
Disposals	-	-	-	(377)	(377)
Transfer from right-of-use assets (Note 17)	-	-	-	595	595
As at 31 December 2024 and 1 January 2025	477	6,674	1,269	5,645	14,065
Provided for the year	10	43	180	5	238
Disposals	-	(1,129)	-	(446)	(1,575)
Write-off	-	(76)	(483)	-	(559)
As at 31 December 2025	487	5,512	966	5,204	12,169
Net book value					
As at 31 December 2025	22	187	595	10	814
As at 31 December 2024	32	134	587	15	768

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	Land and buildings RM'000	Motor vehicles RM'000	Total RM'000
Cost			
As at 1 January 2024	2,768	1,477	4,245
Additions (Note d)	522	1,128	1,650
Lease modifications	290	-	290
Transfer to property, plant and equipment (Note 16)	-	(595)	(595)
As at 31 December 2024 and 1 January 2025	3,580	2,010	5,590
Additions (Note d)	34	763	797
Disposal	(74)	-	(74)
Lease terminations	(465)	-	(465)
Lease modifications	178	-	178
As at 31 December 2025	3,253	2,773	6,026
Accumulated depreciation			
As at 1 January	1,581	734	2,315
Provided for the year (Note c)	517	313	830
Transfer to property, plant and equipment (Note 16)	-	(595)	(595)
As at 31 December 2024 and 1 January 2025	2,098	452	2,550
Provided for the year (Note c)	741	526	1,267
Disposal	(74)	-	(74)
Lease terminations	(250)	-	(250)
As at 31 December 2025	2,515	978	3,493
Carrying amount			
As at 31 December 2025	738	1,795	2,533
As at 31 December 2024	1,482	1,558	3,040

17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities

2025	Land and buildings RM'000	Motor vehicles RM'000	Total RM'000
As at 1 January	1,548	1,385	2,933
Additions (Note d)	34	677	711
Interest expenses (Note 9)	92	77	169
Lease terminations	(220)	-	(220)
Lease modifications	178	-	178
Payments of:			
Capital element of lease liabilities	(724)	(414)	(1,138)
Interest element of lease liabilities	(92)	(77)	(169)
As at 31 December	816	1,648	2,464
2024	Land and buildings RM'000	Motor vehicles RM'000	Total RM'000
As at 1 January	1,286	611	1,897
Additions (Note d)	522	984	1,506
Interest expenses (Note 9)	205	39	244
Lease modifications	290	-	290
Payments of:			
Capital element of lease liabilities	(550)	(210)	(760)
Interest element of lease liabilities	(205)	(39)	(244)
As at 31 December	1,548	1,385	2,933

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued) Lease liabilities (continued)

	2025 RM'000	2024 RM'000
Represented by:		
Non-current	1,422	1,942
Current	1,042	991
Total lease liabilities	2,464	2,933
	2025 RM'000	2024 RM'000
Total lease liabilities owing to financial institutions	1,648	1,385
Total lease liabilities owing to non-financial institutions	816	1,548
Total lease liabilities	2,464	2,933

Notes:

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the lease terms. The principal depreciation periods are as follows:

Land and buildings	over the lease periods from 2 to 9 years
Motor vehicles	over the lease periods of 5 years

Some of the leases for land and buildings and motor vehicles include an option to purchase the leased equipment at the end of the lease term at a price deemed to be a bargain purchase option. It was considered reasonably certain that the Group would exercise its right and included in the right-of-use assets and lease liabilities.

17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities (continued)

Notes: (continued)

- (b) Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date.

After initial recognition, lease liabilities are measured by increasing the carrying amounts to reflect interest on the lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

The Group has certain leases of equipment and premises with lease term of 12 months or less. The Group applies “short term lease” exemptions for these leases.

- (c) The following are the amounts recognised in profit or loss:

	2025 RM'000	2024 RM'000
Depreciation charge of right-of-use assets (included in cost of services and other operating expenses)	1,267	830
Interest expenses on lease liabilities (included in cost of services and other operating expenses) (Note 9)	169	244
Expenses relating to short-term leases (included in cost of sales)	2,151	1,593
	3,587	2,667

- (d) The Group made the following cash payments on additions of right-of-use assets:

	2025 RM'000	2024 RM'000
Additions of right-of-use assets	797	1,650
Financed by lease liabilities	(711)	(1,506)
Cash payments on additions of right-of-use assets	86	144

For the year ended 31 December 2025, the Group had total cash outflow for leases of approximately RM3,458,000 (2024: RM2,597,000), comprising repayment of principal on lease liabilities at approximately RM1,138,000 (2024: RM760,000); repayment of interest expenses on lease liabilities at approximately RM169,000 (2024: RM244,000); and payment of short-term lease expenses at approximately RM2,151,000 (2024: RM1,593,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities (continued)

Notes: (continued)

- (e) The Group has lease contracts that include termination options. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the business needs of the Group.
- (f) There is no undiscounted potential future rental payment that is not included in the lease term of the Group. The possibility for the Group to exercise the termination option is unlikely after taking into consideration of relevant facts and circumstances including past experience, cost and economic incentive that will be involved to exercise the termination options.
- (g) The maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations are as follows:

	2025 RM'000	2024 RM'000
Within one year	1,145	1,151
In the second year	707	953
In the third to fifth year	804	1,143
	2,656	3,247

- (h) The effective interest rates and incremental borrowing rates per annum of lease liabilities that are effective as at the end of the reporting period are as follows:

	2025 %	2024 %
Lease liabilities	4.07 – 7.71	4.26 – 7.71

- (i) Lease liabilities are fixed rate instruments. Sensitivity analysis at the end of each reporting period is not presented as they are not affected by changes in interest rates.

18. INVESTMENT PROPERTIES

	Investment properties RM'000	Investment properties under construction RM'000	Total RM'000
Cost			
As at 1 January 2024	2,646	5,000	7,646
Transfer from investment properties under construction	5,000	(5,000)	-
As at 31 December 2024 and 1 January 2025	7,646	-	7,646
Addition	815	-	815
Disposal	(2,500)	-	(2,500)
As at 31 December 2025	5,961	-	5,961
Accumulated depreciation and impairment			
As at 1 January 2024	223	-	223
Depreciation provided for the year	128	-	128
As at 31 December 2024 and 1 January 2025	351	-	351
Depreciation provided for the year	116	-	116
Disposal	(50)	-	(50)
Impairment losses charged for the year (Note 7)	265	-	265
As at 31 December 2025	682	-	682
Net book value			
As at 31 December 2025	5,279	-	5,279
As at 31 December 2024	7,295	-	7,295

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18. INVESTMENT PROPERTIES (continued)

Fair value measurement

	2025 RM'000	2024 RM'000
Fair value for disclosure purposes only:		
Fair value at end of the year	5,560	7,710

The fair values of the investment properties were estimated to be approximately RM5,560,000 (2024: RM7,710,000). The valuation was performed by Cbre Wtw Valuation & Advisory Sdn Bhd, the independent professionally qualified valuer. Selection criteria of the external valuer include market knowledge, reputation, independence and whether professional standards are maintained.

The valuation of the investment properties were determined using the comparison approach based on market values for similar properties in the same vicinity obtained from property agencies. The fair value measurement hierarchy of the above investment properties requires certain significant unobservable inputs (Level 3). There were no transfers into or out of Level 3 during the year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

No impairment losses on investment properties was provided as at 31 December 2024. As at 31 December 2025, management of the Group has determined that the recoverable amounts of an investment property is lower than its carrying amount. Accordingly, provision of impairment losses on investment properties amounted to approximately RM265,000 was recognised in the consolidated statements of profit or loss and other comprehensive income during the year ended 31 December 2025.

The Group as a lessor

The Group leases an investment property under operating lease arrangements. Rental income recognised by the Group during the year was approximately RM10,000 (2024: approximately RM7,000).

Direct operating expenses arising from an investment property that generated rental income during the year amounted to approximately RM2,000 (2024: approximately RM2,000), while direct operating expenses arising from investment properties that did not generate rental income during the year amounted to approximately RM29,000 (2024: approximately RM22,000).

As at 31 December 2025 and 2024, the undiscounted lease payments receivable by the Group in future periods under operating lease with its tenant is as follows:

	2025 RM'000	2024 RM'000
Within one year	10	10
In the second to third year	10	4
In the third to fourth year	4	-
In the fourth to fifth year	-	-
After five years	-	-
	24	14

19. LIFE INSURANCE POLICY

The Company and the Group has paid the total contribution amounted to approximately RM4,054,000 at the inception of the policy, if the covered person did not die or suffered from total and permanent disability during the 7 years, the Group will be entitled to at least approximately RM4,054,000, depending on the investment performance of the financial product. If the covered person die or suffered from total and permanent disability during the insurance period, the Group will be entitled to a payment of RM7,000,000.

Change in fair value gain of approximately RM63,000 (2024: gain of approximately RM24,000) were recognised in profit or loss during the years ended 31 December 2025.

20. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	2025 RM'000	2024 RM'000
Trade receivables (Note a)	15,306	38,527
Less: Impairment losses	(732)	(1,473)
	14,574	37,054
Other receivables (Note b):		
Other receivables	8,219	19
Deposits	925	1,307
Less: Impairment losses	(206)	(135)
	8,938	1,191
Prepayments	15	13
Deferred listing expenses	2,841	-
	2,856	13
	26,368	38,258

Notes:

(a) **Trade receivables**

The amounts of trade receivables are from third parties for the years ended 31 December 2025 and 2024.

The credit period granted to customers is 30 days (2024: 30 to 45 days) during the year ended 31 December 2025. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

As at 31 December 2025, trade receivables of the Group are not secured by any collaterals and are not subject to significant risk of concentration, except for trade receivables from one (2024: two) third party customers constituting 87% (2024: 71%) of total receivables of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES (continued)

Notes: (continued)

(a) Trade receivables (continued)

An ageing analysis of trade receivables as at 31 December 2025 and 2024 are as follows:

	Gross RM'000	Impairment losses RM'000	Total RM'000
As at 31 December 2025			
Collective assessment			
Current	8,368	(1)	8,367
Within one year past due	6,207	-	6,207
In the first to second year past due	-	-	-
In the second to third year past due	-	-	-
In the third to fourth year past due	-	-	-
In the fourth to fifth year past due	-	-	-
After five years	731	(731)	-
	15,306	(732)	14,574
Individual assessment			
Credit-impaired	-	-	-
	15,306	(732)	14,574
	Gross RM'000	Impairment losses RM'000	Total RM'000
As at 31 December 2024			
Collective assessment			
Current	32,267	(272)	31,995
Within one year past due	4,711	(39)	4,672
In the first to second year past due	95	(5)	90
In the second to third year past due	331	(46)	285
In the third to fourth year past due	12	(2)	10
In the fourth to fifth year past due	4	(2)	2
After five years	739	(739)	-
	38,159	(1,105)	37,054
Individual assessment			
Credit-impaired	368	(368)	-
	38,527	(1,473)	37,054

20. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES (continued)

Notes: (continued)

(a) Trade receivables (continued)

Movements in impairment losses on trade receivables are as follows:

	Lifetime ECLs (not credit- impaired) RM'000	Lifetime ECLs (credit- impaired) RM'000	Total RM'000
As at 1 January 2024	1,152	17,017	18,169
Reversal of impairment losses (Note 8)	(47)	(16,649)	(16,696)
As at 31 December 2024 and 1 January 2025	1,105	368	1,473
Reversal of impairment losses (Note 8)	(373)	(368)	(741)
As at 31 December 2025	732	-	732

Information about the impairment losses on trade receivables and the exposure to credit risk can be found in Note 32(a).

(b) Other receivables

Movements in impairment losses on other receivables are as follows:

	12-month ECLs RM'000
As at 1 January 2024	692
Reversal of impairment losses (Note 8)	(557)
As at 31 December 2024 and 1 January 2025	135
Provision for impairment losses (Note 8)	71
As at 31 December 2025	206

Information about the impairment losses on other receivables and the exposure to credit risk can be found in Note 32(a).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2025 RM'000	2024 RM'000
Contract assets arising from:		
Construction services		
- Unbilled revenue	82,014	47,011
- Retention receivables	13,493	7,070
Less: Impairment losses	(20,213)	(21,153)
	75,294	32,928

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Information about the impairment losses on contract assets and the exposure to credit risk can be found in Note 32(a).

The expected timing of recovery or settlement for contract assets is as follows:

	2025 RM'000	2024 RM'000
Within one year	64,399	28,935
More than one year and less than five years	10,895	3,993
Total contract assets	75,294	32,928

21. CONTRACT ASSETS AND CONTRACT LIABILITIES (continued)

(a) Contract assets (continued)

Movements in contract assets are as follows:

	2025 RM'000	2024 RM'000
At the beginning of year	32,928	48,489
Transfer of contract assets recognised at beginning of the year to trade receivables	(27,011)	(46,515)
Increase as a result of changes in the measure of progress and contract modifications	68,437	30,917
Reversal of impairment losses, net	940	37
At the end of year	75,294	32,928

Movements in impairment losses on contract assets are as follows:

	Lifetime ECLs (not credit- impaired) RM'000	Lifetime ECLs (credit impaired) RM'000	Total RM'000
As at 1 January 2024	317	20,873	21,190
Reversal of impairment losses (Note 8)	(37)	-	(37)
As at 31 December 2024 and 1 January 2025	280	20,873	21,153
Reversal of impairment losses (Note 8)	(275)	(665)	(940)
As at 31 December 2025	5	20,208	20,213

Information about the impairment losses on contract assets and the exposure to credit risk can be found in Note 32(a).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. CONTRACT ASSETS AND CONTRACT LIABILITIES (continued)

(b) Contract liabilities

	2025 RM'000	2024 RM'000
Contract liabilities arising from:		
– Construction services	(3,838)	(2,562)

Movements in contract liabilities are as follow:

	2025 RM'000	2024 RM'000
At the beginning of year	(2,562)	–
Transfer of contract liabilities recognised at beginning of the year to revenue	2,562	–
Received in advance of services and not recognised as revenue during the year	(3,838)	(2,562)
At the end of year	(3,838)	(2,562)

22. DEFERRED TAX ASSETS/(LIABILITIES)

	2025 RM'000	2024 RM'000
As at 1 January	(409)	2,325
Recognised in profit or loss (Note 13)	(398)	(2,734)
Under recognition in prior year (Note 13)	(46)	–
As at 31 December	(853)	(409)
Presented before appropriate offsetting:		
Deferred tax assets	295	700
Deferred tax liabilities	(1,148)	(1,109)
As at 31 December	(853)	(409)

22. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

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

Deferred tax assets

	Temporary differences on impairment RM'000
As at 1 January 2024	3,394
Charged to profit or loss	(2,694)
As at 31 December 2024 and 1 January 2025	700
Charged to profit or loss	(405)
As at 31 December 2025	295

Deferred tax liabilities

	Property, plant and equipment RM'000
As at 1 January 2024	(1,069)
Charged to profit or loss	(40)
As at 31 December 2024 and 1 January 2025	(1,109)
Charged to profit or loss	(39)
As at 31 December 2025	(1,148)

At the end of the reporting period, the Group has unrecognised deductible temporary differences of RM20,000,000 (2024: RM20,000,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. CASH AND BANK BALANCES

	2025 RM'000	2024 RM'000
Cash at banks and on hand	5,089	15,328
Deposits with licensed banks	6,454	7,824
Total cash and bank balances	11,543	23,152

Cash at banks earns interest at floating rates, and weighted average effective interest rate of deposits with licensed banks is as follows:

	2025 %	2024 %
Fixed rate	0.18	0.95

As at 31 December 2025, the average initial maturity period of deposits with licensed banks is 30 days (2024: 163 days).

Deposits with licensed banks of approximately RM6,454,000 (2024: RM7,824,000) are pledged to licensed banks as securities for bank facilities as at 31 December 2025, granted to the Group as disclosed in Note 25 of the consolidated financial statements.

Cash and bank balances are denominated in RM.

No expected credit loss is recognised arising from the cash and bank balances as the probability of default by these financial institutions is negligible.

24. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	2025 RM'000	2024 RM'000
Trade payables		
Third parties	32,313	24,997
Retention payables	20,279	17,055
	52,592	42,052
Other payables and accruals		
Third parties	680	751
Amounts due to related parties	8	–
Directors	66	48
Deposits	3	2
Accrued staff costs	814	711
Other accruals	660	239
Other tax and levy payables	15	9
Accrued listing expenses	4,325	–
	6,571	1,760
	59,163	43,812

An ageing analysis of trade payables as at the end of each of the reporting period, based on the invoice dates, are as follows:

	2025 RM'000	2024 RM'000
0 to 90 days	45,820	36,683
91 to 180 days	5,714	4,302
181 to 365 days	200	68
Over 365 days	858	999
	52,592	42,052

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranged from 30 to 60 days from the date of invoice for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES (continued)

The amounts due to related parties are non-trade nature, unsecured, interest-free and repayable on demand.

The amounts due to directors are unsecured, interest-free and repayable within the next twelve (12) months in cash and cash equivalents.

No retention payables is due to related party as at 31 December 2025 and 2024.

25. BORROWINGS, SECURED

	2025 RM'000	2024 RM'000
Banker acceptances	–	485
Term loan	2,504	3,119
Financial guarantee contracts	–	91
	2,504	3,695
Less: Amounts due over one year shown under non-current liabilities	(1,890)	(2,505)
Amounts due shown under current liabilities	614	1,190

The carrying amounts of the above term loan are analysed based on contractual repayment date as follows:

	2025 RM'000	2024 RM'000
Within 1 year	614	614
In the second year	614	614
In the third to fifth year	1,276	1,842
After five years	–	49
Total carrying amount of term loan	2,504	3,119

25. BORROWINGS, SECURED (continued)

The weighted average effective interest rates per annum of borrowings as at the end of each reporting period are as follows:

	2025 %	2024 %
Banker acceptances	N/A	5.15
Term loan	4.85	4.85

The table below summarises the maturity profile of the borrowings (including financial guarantee contracts) of the Group at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within one year RM'000	In the second to fifth years RM'000	After five years RM'000	Total RM'000
As at 31 December 2025				
Term loan	722	2,035	–	2,757
As at 31 December 2024				
Banker acceptances	485	–	–	485
Term loan	752	2,708	49	3,509
Financial guarantee contracts	4,929	–	–	4,929
	6,166	2,708	49	8,923

At the end of each reporting period, the interest rate profile of the borrowings is as follows:

	2025 RM'000	2024 RM'000
Variable rate borrowings	2,505	3,604

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

25. BORROWINGS, SECURED (continued)

Secured borrowings of the Group are secured by the following:

- (i) Deposits with licensed banks of the Group as disclosed in Note 23 to the financial statements;
- (ii) A key man insurance policy in respect of a Director's life with sum assured of RM7,000,000;
- (iii) Deed of assignment of contract proceeds; and
- (iv) Jointly and severally guaranteed by the Director of the Group.

As at 31 December 2025, the Group has unutilised banking facilities of RM110,993,000 (2024: RM111,659,000).

Financial guarantee contracts

BBSB Holdings, an indirect wholly-owned subsidiary of the Company, provides financial guarantees to banks in respect of banking facilities granted to related parties. The details of the corporate guarantees are as follows:

On 3 May 2016, BBSB Holdings provided corporate guarantee in favour of AmBank (M) Berhad as part of the security for the credit facility of RM3,480,000 granted by the Bank to Nova Revenue Sdn. Bhd. ("NRSB"), a related party of the Group.

On 23 December 2016, BBSB Holdings provided corporate guarantee in favour of Public Bank Berhad as part of the security for the credit facility of RM900,000 granted by the bank to Ample Seas Sdn. Bhd. ("ASSB"), a related party of the Group.

On 23 May 2018, BBSB Holdings provided corporate guarantee in favour of Public Bank Berhad as part of the security for the credit facility of RM1,120,000 granted by the Bank to NRSB.

On 31 December 2018, BBSB Holdings provided corporate guarantee in favour of Public Bank Berhad as part of the security for the credit facility of RM3,563,650 granted by the Bank to ASSB.

The corporate guarantees are not secured by any specific assets of BBSB Holdings. As at 31 December 2025, the maximum credit risk exposure of the guarantee was RM nil (2024: RM4,929,000). Information about the impairment losses on financial guarantee contracts and the exposure to credit risk can be found in Note 32(a).

As at 31 December 2025, BBSB Holdings has discharged all financial guarantee contracts to banks in respect of banking facilities granted to related parties.

Movements in impairment losses on financial guarantee contracts are as follows:

	12-month ECL RM'000
As at 1 January 2024	85
Provision for impairment losses (Note 8)	6
As at 31 December 2024 and 1 January 2025	91
Reversal of impairment losses (Note 8)	(91)
As at 31 December 2025	-

26. SHARE CAPITAL AND RESERVES

(a) Share Capital

	Number of shares	RM'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At the date of incorporation (Note a)	38,000,000	205
Increase in authorised share capital (Note a)	962,000,000	5,195
At 31 December 2025	1,000,000,000	5,400
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At the date of incorporation and 31 December 2025	1	—*

* Represent amount less than RM1,000

At the date of incorporation, issue of share upon Group Reorganisation (Note c).

Notes:

- a. The Company was incorporated in the Cayman Islands with limited liability on 30 May 2025 with an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. Pursuant to the written resolutions of the sole shareholder of the Company passed on 16 December 2025, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$10,000,000 divided into 1,000,000,000 Shares, by the creation of an additional 962,000,000 Shares.
- b. The share capital of the Group as at 31 December 2024 represented the aggregate amount of the share capital of the subsidiaries and was transferred to other reserve upon the Group Reorganisation.
- c. On 8 December 2025, BBSB (HK) Pte Ltd acquired 2,450,000 shares and 1,050,000 shares of BBSB Holdings from Datuk Tan and Datin Pan, at the nominal consideration of RM1 and RM1, respectively, for the purpose of the Group Reorganisation. The transfers were legally and properly completed and settled on 22 December 2025. Following the transfers, BBSB Holdings became an indirect wholly-owned subsidiary of the Company.

(b) Reserves:

- a. **Share premium**
Share premium represented the amount subscribed for share capital in excess of nominal value.
- b. **Merger reserve**
It represents the difference between the nominal value of shares issued by the Company and the aggregate paid-up capital of the companies comprising the Group.
- c. **Retained earnings**
Its represents cumulative net profits recognised in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 RM'000	2024 RM'000
Non-current asset		
Investment in a subsidiary	–*	–
Current asset		
Deferred listing expense	2,841	–
Total assets	2,841	–
Current liabilities		
Other payables and accruals	2,811	–
Amount due to a shareholder	–*	–
Amount due to a subsidiary	9,270	–
Total liabilities	12,081	–
NET ASSETS	(9,240)	–
EQUITY		
Share capital	–*	–
Loss for the year	(9,240)	–
TOTAL DEFICIENCY	(9,240)	–

* Represent amount less than RM1,000

28. PARTICULARS OF SUBSIDIARIES

The particulars of the Company's direct and indirect owned subsidiaries as at 31 December 2025 are set out as follows:

Name	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
BBSB (HK) Pte Ltd	British Virgin Islands, 6 June 2025	US50,000	100%	-	Investment holding
BBSB Holdings Sdn. Bhd.	Malaysia, 16 January 2001	RM3,500,000	-	100%	Engaged in provision of civil engineering services

29. RELATED PARTY TRANSACTIONS

(a) Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

Name of related party	Relationship	Type of transactions	2025	2024
			RM'000	RM'000
Bridgex Sdn. Bhd. (Note (i))	Related party	Revenue from construction contract	-	5,523
Bridgex Sdn. Bhd. (Note (i))	Related party	Sub-contractor cost	-	500
Bridgex Sdn. Bhd. (Note (i))	Related party	Miscellaneous income	-	32
Bridgex Sdn. Bhd. (Note (i))	Related party	Miscellaneous expenses	-	993
Nova Revenue Sdn. Bhd (Note (ii))	Related party	Miscellaneous expenses	24	-
Ample Seas Sdn. Bhd. (Note (ii))	Related party	Rental paid	47	36
Nova Revenue Sdn. Bhd (Note (ii))	Related party	Rental paid	290	227

(i) The entity was related to one of the executive directors, Datuk Tan, who was a substantial shareholder of the entity until 13 June 2024.

(ii) The entity is controlled by Datuk Tan, one of the controlling shareholders and executive director of the Company.

(iii) The Group made a RM8,000 payment on behalf of a shareholder, BBSB Overseas Private Ltd., is unsecured and repayable on demand.

(b) Compensation of key management personnel

The key management personnel of the Group are the directors of the Company. Details of the remuneration paid to them during the year are set out in Note 11 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

30. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

- (i) As at 31 December 2025, the Group entered into leases agreements in respect of land and buildings and motor vehicle with a capital value at the inception of the leases of approximately RM711,000 (2024: RM1,506,000).
- (ii) During the year ended 31 December 2025, the Group received a property from a customer as settlement of trade receivables, resulting in a non-cash increase in investment properties and a corresponding decrease in trade receivables of approximately RM815,000 (2024: RM nil).

(b) Changes in liabilities arising from financing activities

The tables below detail changes in liabilities of the Group arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows are, or future cash flows will be, classified in the consolidated statement of cash flows of the Group as cash flows from financing activities.

	Lease liabilities RM'000 (Note 17)	Borrowings, secured RM'000 (Note 25)	Amount due to directors RM'000 (Note 24)	Dividend payables RM'000	Total RM'000
As at 1 January 2024	1,897	10,126	45	5,000	17,068
Changes from financing cash flows:					
- Payment of interest element of lease liabilities	(244)	-	-	-	(244)
- Payment of capital element of lease liabilities	(760)	-	-	-	(760)
- Repayment of borrowing, secured	-	(1,642)	-	-	(1,642)
- Interest paid	-	(384)	-	-	(384)
- Advance from a director	-	-	3	-	3
- Dividend paid	-	-	-	(41,000)	(41,000)
Total changes from financing cash flows	(1,004)	(2,026)	3	(41,000)	(44,027)
Other changes:					
- Additions of lease liabilities	1,506	-	-	-	1,506
- Interest expenses	244	384	-	-	628
- Lease modifications	290	-	-	-	290
- Dividends declared	-	-	-	36,000	36,000
- Decrease in bank overdrafts	-	(4,795)	-	-	(4,795)
- Provision for impairment on financial guarantee contracts	-	6	-	-	6
Total other changes	2,040	(4,405)	-	36,000	33,635
As at 31 December 2024 and 1 January 2025	2,933	3,695	48	-	6,676

30. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
 (b) Changes in liabilities arising from financing activities (continued)

	Lease liabilities RM'000	Borrowings, secured RM'000	Amount due to directors RM'000	Dividend payables RM'000	Total RM'000
As at 1 January 2025	2,933	3,695	48	-	6,676
Changes from financing cash flows:					
- Payment of interest element of lease liabilities	(169)	-	-	-	(169)
- Payment of capital element of lease liabilities	(1,138)	-	-	-	(1,138)
- Repayment of borrowing, secured	-	(1,100)	-	-	(1,100)
- Interest paid	-	(152)	-	-	(152)
- Advances from directors	-	-	18	-	18
- Dividend paid	-	-	-	(5,000)	(5,000)
Total changes from financing cash flow	(1,307)	(1,252)	18	(5,000)	(7,541)
Other changes:					
- Additions of lease liabilities	711	-	-	-	711
- Interest expenses	169	152	-	-	321
- Lease modifications	178	-	-	-	178
- Lease terminations	(220)	-	-	-	(220)
- Dividends declared	-	-	-	5,000	5,000
- Reversal of impairment on financial guarantee contracts	-	(91)	-	-	(91)
Total other changes	838	61	-	5,000	5,899
As at 31 December 2025	2,464	2,504	66	-	5,034

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amount of financial assets and liabilities:

	2025 RM'000	2024 RM'000
Financial assets		
Financial assets at amortised cost		
– Trade and other receivables	26,353	38,245
– Amount due from a shareholder	8	–
– Cash and cash equivalents	11,543	23,152
	37,904	61,397
Financial liabilities		
Financial liabilities at amortised cost		
– Trade payables, accruals and other payables*	58,334	43,092
– Borrowings, secured	2,504	3,695
– Lease liabilities	2,464	2,933
	63,302	49,720

* Excluding accrued staff costs, other tax and levy payables.

32. FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks which comprise credit risk, liquidity risk, interest rate risk and currency risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. As the directors consider that the Group's exposure to financial risk is kept at a minimum level, the Group does not hold or issue derivative financial instruments either for hedging or trading purposes.

(a) Credit risk

Credit risk and impairment assessment

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, amount due from a shareholder, contract assets and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial and contract assets.

The Group's internal credit grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and contract assets	Other financial assets
Performing	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECLs – not credit-impaired	12-month ECLs
Under-performance	Debtor frequently repays but usually settle after due date	Lifetime ECLs – not credit-impaired	Lifetime ECLs – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECLs – credit-impaired	Lifetime ECLs – 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 or the amount has been overdue over 3 years	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Credit risk and impairment assessment (continued)

The tables below detail the credit risk exposures of the Group's financial and contract assets, which are subject to ECL assessment:

As at 31 December 2025

		Expected credit loss rate	Basis for recognition of expected credit loss	Estimated gross carrying amount at default RM'000	Impairment allowance RM'000	Carrying amount (net of impairment allowance) RM'000
Bank balances	Note i	0%	12-month ECLs	11,543	-	11,543
Trade receivables	Note ii	5%	Lifetime ECLs (not credit-impaired)	15,306	(732)	14,574
		100%	Lifetime ECLs (credit-impaired)	-	-	-
Contract assets	Note ii	0%	Lifetime ECLs (not credit-impaired)	75,299	(5)	75,294
		100%	Lifetime ECLs (credit-impaired)	20,208	(20,208)	-
Amount due from a shareholder		0%	12-month ECLs	8	-	8
Other receivables	Note iii	2%	12-month ECLs	11,985	(206)	11,779
				134,349	(21,151)	113,198

32. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Credit risk and impairment assessment (continued)

As at 31 December 2024

		Expected credit loss rate	Basis for recognition of expected credit loss	Estimated gross carrying amount at default RM'000	Impairment allowance RM'000	Carrying amount (net of impairment allowance) RM'000
Bank balances	Note i	0%	12-month ECLs	23,152	-	23,152
Trade receivables	Note ii	3%	Lifetime ECLs (not credit-impaired)	38,159	(1,105)	37,054
		100%	Lifetime ECLs (credit-impaired)	368	(368)	-
Contract assets	Note ii	1%	Lifetime ECLs (not credit-impaired)	33,208	(280)	32,928
		100%	Lifetime ECLs (credit-impaired)	20,873	(20,873)	-
Other receivables	Note iii	10%	12-month ECLs	1,326	(135)	1,191
				117,086	(22,761)	94,325

(i) Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12-month ECL for bank balances 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 12-month ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Credit risk and impairment assessment (continued)

(ii) Trade receivables and contract assets arising from contracts with customers

For trade receivables and contract assets, the Group has applied the simplified approach of IFRS 9 to measure the loss allowance at lifetime ECL. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped based on shared credit risk characteristics by reference to the ageing of outstanding balances. Details of the quantitative disclosures are set out in Note 20(a) and 21(a).

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk on trade receivables as 85% (2024: 53%) of the total trade receivables was due from the Group's largest customer as at 31 December 2025, and 100% (2024: 93%) of the total trade receivables was due from the Group's five largest customers as at 31 December 2025.

The Group has concentration of credit risk on contract assets as 43% (2024: 40%) of the total contract assets was due from the Group's largest customer as at 31 December 2025 and 98% (2024: 98%) of the total contract assets was due from the Group's five largest customers as at 31 December 2025.

ECL and loss rates are calculated under a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by adjustment factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Such factor are based on actual and forecast gross consumer price index in Malaysia of 2.0% (2024: 2.5%) as at 31 December 2025.

(iii) Other receivables and financial guarantee contracts

For other receivables and financial guarantee contracts, the management makes periodic individual assessment on the recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportable forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL. The maximum exposure to credit risk in respect of financial guarantee contracts is disclosed in Note 25.

32. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

In the management of liquidity risk, the Group's policy is to regularly monitor its liquidity requirements and maintain sufficient reserves of cash to settle its debt obligation. The liquidity policies have been followed by the Group during the year and are considered to have been effective in managing liquidity risk.

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.

As at 31 December 2025

	Carrying amount RM'000	Total contractual undiscounted cash flow RM'000	Within 1 year or on demand RM'000	In the second to fifth years RM'000	After five years RM'000
Trade and other payables*	58,334	58,334	45,061	13,273	-
Borrowings, secured	2,504	2,757	722	2,035	-
Lease liabilities	2,464	2,656	1,145	1,511	-
	63,302	63,747	46,928	16,819	-

As at 31 December 2024

	Carrying amount RM'000	Total contractual undiscounted cash flow RM'000	Within 1 year or on demand RM'000	In the second to fifth years RM'000	After five years RM'000
Trade and other payables*	43,092	43,092	36,618	6,474	-
Borrowings, secured	3,695	8,923	6,166	2,708	49
Lease liabilities	2,933	3,247	1,151	2,096	-
	49,720	55,262	43,935	11,278	49
Financial guarantee contacts	91	4,929	4,929	-	-

* Excluding accrued staff costs, other tax and levy payables.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. FINANCIAL RISK MANAGEMENT (continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings and bank balances. Borrowings and bank balances at variable rates and expose the Group to cash flow interest rate risk.

At the respective reporting dates, if interest rate had been increased/decreased by 25 basis points and all other variables were held constant, the Group's profit after income tax expense would decrease/increase by approximately RM5,000 and RM7,000 for the years ended 31 December 2025 and 2024, respectively.

(d) Currency risk

Currency risk to the Group is minimal as the Group operates in Malaysia with transactions primarily denominated in RM.

33. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No changes in the objectives, policies or processes were made during the year.

The Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including bank borrowings and lease liabilities) less bank balances. Total equity is calculated as equity as shown in the consolidated statements of financial position.

	2025 RM'000	2024 RM'000
Borrowings, secured	2,504	3,695
Lease liabilities	2,464	2,933
Less: Cash and bank balances	(11,543)	(23,152)
Net cash	(6,575)	(16,524)
Equity	55,089	53,800
Net debt to equity ratio	N/A	N/A

34. CAPITAL COMMITMENTS

	2025 RM'000	2024 RM'000
Contracted but not provided for – Property, plant and equipment	109	265

35. GUARANTEE BONDS

As at 31 December 2025, the Group provide two (2024: two) guarantees to bank respectively.

As at 31 December 2025, guarantee bonds at amount of approximately RM29,423,000 (2024: approximately RM29,423,000) were given by United Overseas Bank (“UOB”) in favour of the Group’s customers as security for the due performance and observance of the Group’s obligation under the contract entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom the guarantee bonds have been given, the customers may demand the UOB to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate the UOB accordingly. The guarantee bonds will be released upon completion of the contract work for the customers.

The directors of the Company are of the opinion that the amount of approximately RM29,423,000 (2024: approximately RM29,423,000) were the maximum exposure to the Group and it is highly probable that UOB would not claim the Group for losses in respect of the guarantee contracts as it is highly probable that the Group will fulfil the performance requirements of the relevant contracts.

36. EVENT AFTER THE REPORTING PERIOD

Subsequent to 31 December 2025 and up to the date of this report, the following significant events have taken place:

- (a) On 13 January 2026, the capitalisation issue was completed. The Company capitalised an amount of HK\$3,749,999 standing to the credit of the share premium account of the Company and to appropriate such amount as to capital to pay up in full at par of 374,999,999 ordinary shares of the Company.
- (b) On 13 January 2026, the Company’s shares were listed on the GEM of the Stock Exchange by way of a placing (“IPO Placing”). In connection to the IPO Placing, 125,000,000 ordinary shares are issued at nominal value of HK\$0.01 per share.

Save as disclosed above, there are no other significant events which have taken place subsequent to 31 December 2025.

37. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Board of Directors on 30 March 2026.

Financial Summary

A summary of the results and the total assets, total liabilities and net assets of the Group for the last three financial years, as extracted from the audited consolidated financial statements of this Annual Report and the Prospectus issued by the Company dated 31 December 2025 are as follows:

RESULTS

	For the year ended 31 December		
	2025 RM'000	2024 RM'000	2023 RM'000
Revenue	147,229	133,002	76,757
Gross profit	29,769	25,664	10,990
Profit/(loss) before income tax	12,036	33,273	(13,098)
Profit/(loss) and total comprehensive income/ (loss) for the year attributable to owner of the Company	6,289	26,189	(14,460)

ASSETS AND LIABILITIES

	As at 31 December		
	2025 RM'000	2024 RM'000	2023 RM'000
Total assets	125,505	109,044	113,572
Total liabilities	70,416	55,244	49,961
Net assets	55,089	53,800	63,611