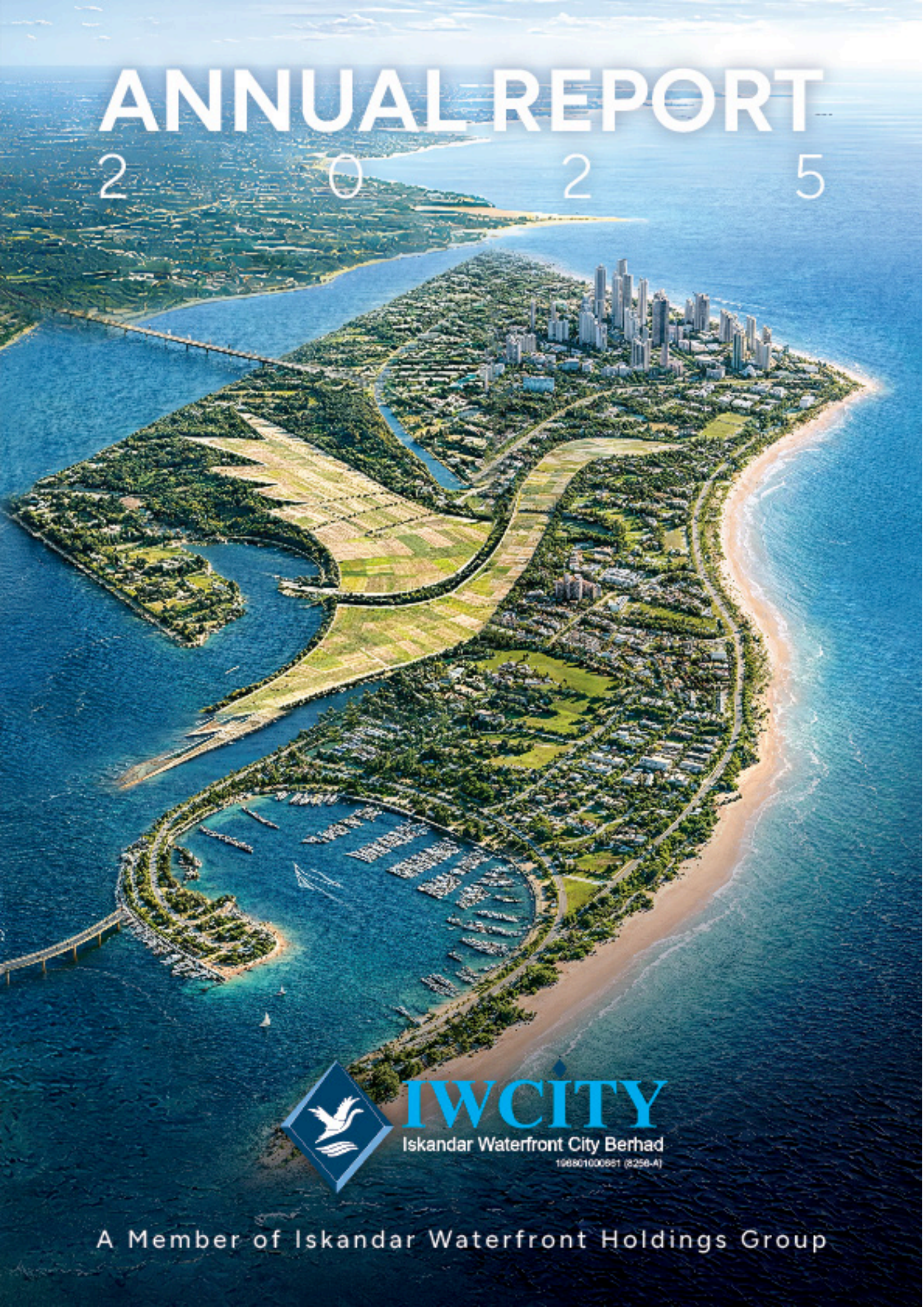


ANNUAL REPORT

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IWCITY

Iskandar Waterfront City Berhad

198801000981 (8256-A)

A Member of Iskandar Waterfront Holdings Group



VISION

To become a leading integrated property developer and builder that focus on community living and quality development.

&

Building a sustainable development area that promotes quality & innovative products and excellent services that meets customer's need and ultimately ensuring equitable shareholder's returns.

MISSION



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CORPORATE CALENDAR

FINANCIAL RESULTS

27 February

Announcement of the unaudited quarterly report on consolidated results for the financial period ended 31 December 2024

28 May

Announcement of the unaudited quarterly report on consolidated results for the financial period ended 31 March 2025

27 August

Announcement of the unaudited quarterly report on consolidated results for the financial period ended 30 June 2025

27 November

Announcement of the unaudited quarterly report on consolidated results for the financial period ended 30 September 2025

AGM

30 April

Issuance of Annual Report, Circular for Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and the Corporate Governance Report for the financial year ended 31 December 2024

27 June

56th Annual General Meeting

BOARDROOM CHANGES

28 February

- Change of registered office address

30 June

- Cessation of Mr. Yap Meow Hin as Deputy Chief Executive Officer

1 July

- Appointment of Mr. Lim Fang Ching as Chief Operating Officer

10 October

- Appointment of Ms. Soon Chooi Mee as an Independent Non-Executive Director and member of Audit Committee, Remuneration Committee, Risk Management and Sustainability Committee and Chairperson of Nomination Committee
- Resignation of Mr. Lim Foo Seng as an Independent Non-Executive Director and member of Audit Committee, Nomination Committee, Risk Management and Sustainability Committee and Remuneration Committee
- Change in the composition of Audit Committee, Nomination Committee, Risk Management and Sustainability Committee and Remuneration Committee

CORPORATE EXERCISE

20 March

- (a) IWCity, entered into a conditional settlement agreement with Rampai Fokus Sdn Bhd ("RFSB"), for the proposed issuance of up to 725,405,406 new ordinary shares in IWCity for the full settlement of the outstanding advances made available by RFSB to IWCity and its group of subsidiaries amounting to an aggregate sum of RM268.4 million.
- (b) IWCity, as an affected listed issuer pursuant to Paragraph 8.03A(2)(b) of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") undertaken the following exercises as its Regularisation Plan to regularise its financial condition in accordance with Paragraph 8.04(3) of the MMLR:
 - (i) Proposed Debt Settlement;
 - (ii) Proposed Private Placement;
 - (iii) Proposed Capital Reduction, and
 - (iv) Proposed Exemption under Paragraph 4.08(1)(b) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia

21 March

IWCity submitted an application to Bursa Malaysia for a further 6-month extension, from 24 March 2025 to 23 September 2025, to submit its Regularisation Plan.

3 April

Bursa Malaysia granted IWCity a further extension until 23 September 2025 to submit its Regularisation Plan.

25 April

IWCity obtained agreement for a further 6-month extension to assess, evaluate and deliberate in detail, the Proposal from Tan Sri Dato' Lim Kang Hoo ("TSLKH") for request to consider participating in a Reorganisation, Rationalisation and Merger ("R&R") exercise and to commence negotiations on the binding heads of agreement ("HOA").

22 September

IWCity entered into a supplemental agreement to the Settlement Agreement with Rampai Fokus Sdn Bhd, varying the settlement method by issuing new redeemable preference shares through its subsidiaries, and proposed revisions to the Proposed Regularisation Plan.

23 September

IWCity submitted the application for the Proposed Regularisation Plan to Bursa Malaysia.

27 October

IWCity obtained agreement for a further 6-month extension to assess, evaluate and deliberate in detail, the Proposal from TSLKH for request to consider participating in a R&R exercise and to commence negotiations on the binding HOA.



 ABOUT
US

CORPORATE INFORMATION

Board Of Directors

Tan Sri Dato' Lim Kang Hoo *Executive Vice Chairman*

Kang Hui Ling (f) *Independent Non-Executive Director*

Lim Chen Heng *Executive Director*

Chin Wai Kit *Independent Non-Executive Director*

Datuk Lim Keng Guan *Non-Independent Non-Executive Director*

Soon Chooi Mee (f) *Independent Non-Executive Director*

Khairudin bin Hasan *Non-Independent Non-Executive Director*

AUDIT COMMITTEE

Chin Wai Kit
Chairperson

Kang Hui Ling (f)

Soon Chooi Mee (f)

NOMINATION COMMITTEE

Soon Chooi Mee (f)
Chairperson

Kang Hui Ling (f)

Chin Wai Kit

REMUNERATION COMMITTEE

Kang Hui Ling (f)
Chairperson

Chin Wai Kit

Soon Chooi Mee (f)

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chin Wai Kit
Chairperson

Kang Hui Ling (f)

Soon Chooi Mee (f)

COMPANY SECRETARIES

Wong Chee Yin (MAICSA 7023530)
(SSM PC No. 202008001953)

Lim Aik Yong (MAICSA 7054965)
(SSM PC No. 202008000995)

REGISTERED OFFICE

L2-02, 1 Medini Hub,
Persiaran Medini Utara 3,
Medini Iskandar,
79000 Nusajaya,
Johor Darul Ta'zim.

Tel No : 07-332 2088
Fax No : 07-332 8096

PRINCIPAL PLACE OF BUSINESS

G08, Block 8, Danga Bay,
Jalan Skudai, 80200 Johor Bahru,
Johor Darul Ta'zim.

Tel No : 07-233 3888
Fax No : 07-235 8850

AUDITOR

Messrs. Crowe Malaysia PLT
E-2-3 Pusat Komersial Bayu Tasek,
Persiaran Southkey 1, Kota Southkey,
80150 Johor Bahru, Johor Darul Ta'zim.

Tel No : 07-288 6627
Fax No : 07-338 4627

SHARE REGISTRAR

Messrs. Tricor Investor Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No.8 Jalan Kerinchi,
59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

Tel: 03-2783 9299
Fax: 03-2783 9222
E-mail : is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia
Securities Berhad

Stock Code : 1589
Stock Name : IWCIITY
Sector : Properties

WEBSITE

www.iwcity.com.my

CORPORATE STRUCTURE

SUBSIDIARIES

100% **TEBRAU BAY**
SDN BHD 199601042357 (414710-X)
Property Development and Construction

ASET NUSANTARA DEVELOPMENT 49%
SDN BHD 199701011878 (427374-T)
In Liquidation

100% **SOUTHERN CREST DEVELOPMENT**
SDN BHD 200301011263 (613683-D)
Investment Holdings

GREENLAND TEBRAU 20%
SDN BHD 201501006982 (1132314-P)
In Liquidation

100% **TEBRAU BAY CONSTRUCTIONS**
SDN BHD 197801005845 (42888-D)
Construction of infrastructure and buildings

100% **SUCCESS STRAITS**
SDN BHD 201501033627 (1158947-H)
Property Development

100% **TRILLION GREENCITY**
SDN BHD 201501033356 (1158676-W)
Dormant

100% **BAYOU BAY DEVELOPMENT**
SDN BHD 199601019330 (391682-P)
Property Development

100% **BAYOU MANAGEMENT**
SDN BHD 200401007966 (646470-K)
Property Holding and Development

ASSOCIATES

An aerial photograph of a city waterfront. On the left, a green, tree-covered peninsula is visible. A long bridge spans across a wide body of water in the middle ground. On the right, a city skyline with several tall skyscrapers is visible, along with a marina filled with boats. The sky is filled with soft, white clouds, suggesting a bright but slightly overcast day.

FROM
THE BOARD



&

THE
MANAGEMENT

EXECUTIVE VICE CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, it is our pleasure to present the Annual Report of Iskandar Waterfront City Berhad ("IWCity" or "the Group") for the financial year of 2025. The year under review was characterised by a challenging operating landscape, with continued market uncertainties. Notwithstanding these conditions, the Group remained focused on strengthening its financial position through prudent cost management and the preservation of revenue streams. Despite persistent headwinds in the Iskandar Malaysia property sector, IWCity continues to be guided by a long-term perspective, ensuring that IWCity remains adaptive, resilience and discipline in navigating the evolving environment.



EXECUTIVE VICE CHAIRMAN'S STATEMENT CONT'D

During the financial year, the Group maintained its emphasis on building a sustainable and resilient business. In navigating evolving market conditions and external pressures, we remained committed to reinforcing our operational fundamentals and enhancing efficiency across our core activities. Our approach has been guided by a long-term perspective, ensuring that the Group stays well-positioned while adapting to changing industry dynamics.

Looking ahead, IWCity will continue to advance with a clear strategic direction, supported by its experience and collaborative partnerships. We remain focused on identifying opportunities that align with our strengths while responding proactively to market developments. With a strengthened foundation and a forward-looking mindset, the Group is well-prepared to meet future challenges and pursue steady, sustainable progress, while continuing to create value for our stakeholders and contribute positively to the broader community.

Malaysia's economy sustained positive momentum in 2025, with real GDP expanding by 5.2%, surpassing earlier projections and reflecting broad-based strength in domestic demand and investment. This performance underscores the resilience of the nation's economic fundamentals, supported by robust consumer activity and sustained contributions from key sectors.

In the fourth quarter of 2025, the economy continued to perform strongly, registering growth of 6.3%, driven by higher consumption and continued expansion across major services and industrial segments. These results highlight the economy's ability to adapt and grow amid shifting global conditions and evolving market dynamics.

Earlier in the year, Bank Negara Malaysia projected Malaysia's full-year GDP growth for 2025 to be within the range of 4.0% to 4.8%, reflecting a prudent assessment of external uncertainties and domestic developments. Actual outcomes for the year exceeded these projections, demonstrating stronger-than-expected economic performance and confidence in the country's growth prospects.

Within this national context, Johor and the Iskandar Malaysia region continued to exhibit strong economic performance, supported by sustained investment momentum and targeted regional development programs. The region has already surpassed its original cumulative investment target ahead of schedule, with realised investments continuing to grow steadily. Building on this success, a new cumulative investment target of RM636 billion by 2030 has been set by the relevant authorities, reflecting sustained investor confidence and the strategic importance of Iskandar Malaysia as a regional growth hub.

Significant investment inflows in 2025, particularly through the Johor-Singapore Special Economic Zone (JS-SEZ), have reinforced the region's position as a leading destination for high-value sectors, including advanced manufacturing, logistics, digital services, and innovation-driven industries. These developments highlight the resilience of the local economy and the effectiveness of long-term planning, providing a strong foundation for continued growth and value creation for both stakeholders and the communities we serve.

Overall, Malaysia's economic performance in 2025 was marked by steady expansion and reinforced by resilient domestic activity. These developments provide a solid platform for continued economic strength and support a positive outlook as the nation navigates future challenges and opportunities.

EXECUTIVE VICE CHAIRMAN'S STATEMENT CONT'D

Financial Performance

The Group recorded revenue of RM43.42 million for the Financial Year Ended 31 December 2025 ("FYE2025"), representing a decrease of approximately 57.3% compared to RM101.75 million in the Financial Year Ended 31 December 2024 ("FYE2024" or "previous year"). This decline was primarily due to lower revenue recognition from our completed projects, namely Botanika and Danga Sutera, following the tapering of construction and sales activities, and further impacted by delay in the Bumiputra release process.

In line with this, the Group registered a loss before tax of RM18.64 million, compared to a loss before tax of RM17.16 million recorded in FYE2024, mainly due to reduced sales of completed units. While near-term performance was affected, these results reflect the cyclical nature of property development industry and the transitional phase of the Group's project pipeline.

Notwithstanding this, the Group achieved a key strategic milestone with the execution of a Development Rights Agreement ("DRA") for Botanika Tower A and Town Villas. Under this arrangement, a strategic partner has been granted the exclusive rights to develop, market and sell the project. The successful fulfilment of all conditions precedent marks a significant step in unlocking value from our assets while enhancing capital efficiency.

The property development segment remained the Group's principal contributor, generating RM42.30 million in revenue. During the year, we successfully completed and handed over Phase 3A and 3B of Danga Sutera to our esteemed purchasers, reinforcing our commitment to quality delivery and customer satisfaction.

The Group's financial position remained resilient, with cash and bank balances increasing to RM31.07 million, providing improved liquidity and flexibility. Borrowings remained stable at RM106.72 million, reflecting prudent financial management amid a challenging operating environment.

Property Development

From previously to now, IWCity remains committed to delivering quality, value-driven developments that enhance customer experience and long-term stakeholder value.

During the year, we successfully completed and handed over all 84 units of Danga Sutera Phase 3 (Semi-Detached), reflecting our ability to deliver on our commitments and uphold the quality and value associated with the IWCity brand. We are progressing with plans for a commercial mixed development on a prime 2.64-acre site within Danga Sutera. This development will strengthen our presence in the commercial segment while complementing our existing residential projects and enhancing the overall vibrancy of the area.

In line with our capital management strategy, the Group continues to unlock value from our landbank through strategic initiatives aimed at generating cash flows and creating recurring income streams. These include the granting of development rights for Botanika Tower A and Town Villas to a reputable strategic partner. In addition, in 2026, the Group has disposed of a 16.43 acres land which formerly known as Danga Rivera project, located at Plentong, which forms part of the South Bay development in Johor Bahru. These initiatives enhance liquidity, optimise capital deployment and provide resources for reinvestment into future developments, landbanking and strategic partnerships.

Our development pipeline is strategically located near key transit hubs, such as the CIQ complex, the upcoming Rapid Transit System (RTS) Link, and Johor Bahru city centre. These projects are well-positioned to benefit from enhanced connectivity and increased economic activity, supporting sustainable demand and support long-term value creation.

EXECUTIVE VICE CHAIRMAN'S STATEMENT CONT'D

Property Development cont'd

We have also planned phased developments for Tebrau Bay, to be rolled out over the next 10 years. Supported by a sizeable and well-located landbank, the Board remains confident in IWCity's ability to deliver sustainable developments and generate long-term value for stakeholders.

Corporate Governance

The Board firmly believes that sound corporate governance forms the cornerstone of the Group's long-term stability and sustainable growth. I am pleased to reaffirm our steadfast commitment to maintaining the highest standards of governance, reflected in the strategic composition of our Board. For FYE2025, with at least half of the Directors being Independent, the Company is fully compliant with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which stipulate that a minimum of two or one-third of the Board, whichever is higher, must be independent.

In addition, the Board strengthened its diversity in FYE2025 with the appointment of an additional female director, bringing the total number of female directors to two. This reflects the Company's continued progress towards achieving the gender diversity guidance set out in the Malaysian Code on Corporate Governance ("MCCG") 2021.

This balanced structure promotes transparency, accountability, and effective oversight, ensuring that robust checks and balances are embedded across all levels of decision-making.

Over the course of 2025, the Board and Management have continued to prioritise adherence to the MCCG 2021, implementing practices that strengthen governance frameworks and oversight mechanisms. Our dedication to these principles underpins the Group's pursuit of long-term value creation, sustainable performance and the enduring confidence of our stakeholders.

Dividend Policy

In light of the Group's current financial conditions and the ongoing economic uncertainties, the Board remains committed to exercising prudent financial management as a foundation for long-term stability and resilience. In line with this approach, careful attention has been given to the Group's cash flow and overall financial position to safeguard operational stability. After thorough deliberation, the Board has resolved not to declare any dividends for the FYE2025, prioritising the preservation of financial strength and ensuring the Group remains well-positioned to navigate challenges and sustain future growth.

Prospects

As the Group moves into 2026, the Group has disposed its land our focus remains on delivering value through carefully planned residential and commercial developments in key locations. While the property market continues to face headwinds, including tighter financing conditions and broader economic uncertainties, we remain committed to maintaining operational discipline and ensuring the efficient execution of our ongoing projects.

The Group will continue to strengthen its sales channels, optimise operational processes and implement structural enhancements to support sustainable performance. New development launches will be approached with careful consideration of market demand, pricing strategies and the value proposition to potential buyers.

EXECUTIVE VICE CHAIRMAN'S STATEMENT CONT'D

Prospects cont'd

Amidst these challenging conditions, the Group prioritises financial prudence and flexibility, ensuring that resources are allocated effectively to safeguard long-term stability. By leveraging our market knowledge, maintaining operational rigor and focusing on strategic initiatives, we aim to navigate the evolving property landscape responsibly while continuing to create value for our stakeholders.

Acknowledgement

On behalf of the Board of Directors of IWCity, I would like to express our sincere gratitude to our shareholders, employees, customers and stakeholders for their continued trust and support throughout the year.

A key milestone during the year was the successful development and submission of the Group's proposed regularisation plan to Bursa Malaysia Securities Berhad, which was approved on 6 January 2026. The plan, encompassing debt restructuring and capital reduction, was undertaken with the guidance of our advisers and the concerted efforts of our Management team.

This reflects the Group's commitment to strengthening its financial position, preserving its listing status and establishing a more resilient foundation for sustainable long-term growth.

During the year, we bid farewell to Mr. Lim Foo Seng, Independent Non-Executive Director. On behalf of the Board, I express our sincere appreciation for his invaluable contributions and dedicated service throughout his tenure with the Company. We also welcomed Ms. Soon Chooi Mee as an Independent Non-Executive Director, whose experience and perspectives further enhance the strength and diversity of our Board.

In January 2026, we bid farewell to our Chairman, Dato' Ayub bin Mion. The Board is deeply grateful for his exemplary leadership and steadfast guidance throughout his tenure, and we extend our heartfelt thanks for his significant contributions to the Group.

I would also like to convey my heartfelt appreciation to my fellow Board members for their continued dedication, guidance and commitment. Their collective experience and insights have been pivotal in strengthening the Group's leadership and governance, enabling us to navigate complex challenges effectively. Special recognition is also extended to our Management team for their dedication and resilience, which have been key in supporting and sustaining the Group's performance and driving our priorities in a challenging operating environment.

The Board remains confident in the Group's ability to meet its business commitments and enhance financial performance in the coming year. Your ongoing support motivates us to pursue excellence, embrace new opportunities and overcome challenges, as we continue to build long-term value and prosperity for all our stakeholders. Together, we look forward to advancing the Group's mission and achieving new milestones in the years ahead.

Thank you.

TAN SRI DATO' LIM KANG HOO

Executive Vice Chairman of Iskandar Waterfront City Berhad

Dated : 27 April 2026

MANAGEMENT DISCUSSION AND ANALYSIS

We are pleased to present the Management Discussion and Analysis (“MD&A”) of Iskandar Waterfront City Berhad (“IWCity” or “the Group”) for the financial year ended 31 December 2025 (“FYE2025”). This report provides an overview of the Group’s strategic direction, operational performance and key developments during the year under review, against the backdrop of a dynamic and evolving market environment.

Despite prevailing challenges, the Group remains committed to sustainable growth, operational discipline and long-term value creation. Through the execution of targeted strategies and prudent management, IWCity continues to strengthen its position as a property developer within the Iskandar region.

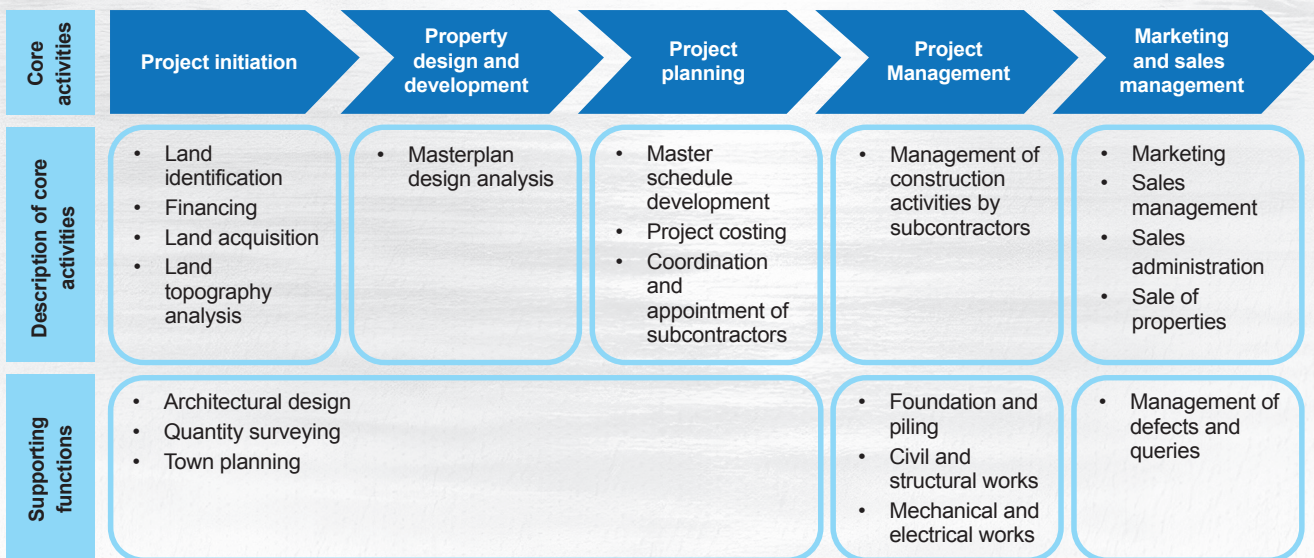
Introduction

IWCity is a leading investment holding company with subsidiaries primarily focused on property development. The Group’s activities span the full property development lifecycle, from land identification, conducting topographical and feasibility studies assessments to project planning, design and construction management, marketing and sales. As one of the largest waterfront landowners in Eastern Johor Bahru, we aspire to be a premier integrated property developer, focused on delivering quality developments and building sustainable communities.

Over the years, the Group has developed a diverse portfolio of residential and commercial properties, while also spearheading the construction of thousands of affordable homes—contributions that have meaningfully enhanced the living standards of the Johor community and reinforced our dedication to sustainable and inclusive urban growth.

At present, the Group remains engaged across the entire property development value chain, taking an active role in all critical stages of the industry. To maintain excellence and uphold the highest standards of quality, we collaborate with a network of experienced professionals, including consultants and construction partners, across key supporting functions such as architectural design, quantity surveying, construction and property sales. Each partner is carefully selected based on their expertise, track record and industry experience, ensuring smooth project execution and superior outcomes.

The Group’s business model is illustrated below:



Legend:

 Principal activities of Iskandar Waterfront City Berhad

MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

Business Overview and Operations

In FYE2025, the Group maintained its strategic focus on landed residential developments, with Danga Sutera remaining its flagship township project. Designed as a gated and guarded mixed-use development in Skudai, Danga Sutera comprises 645 landed residential units, complemented by a private clubhouse and planned commercial components to support future growth. Its location within a mature township that offers a wide range of amenities and lifestyle conveniences.

Complementing this is Botanika project, a signature waterfront development that reflects the Group's focus on enhancing modern urban living. Spanning approximately 12 acres along the Tebrau River in Bakar Batu and located about 7 kilometres from Johor Bahru city centre, Botanika offers a distinctive residential concept. The development features 792 contemporary condominium units alongside 40 exclusive waterfront townvillas, providing a balanced blend of connectivity, comfort, and scenic living.

Across all its developments, IWCity adopts a holistic approach that combines thoughtful design, technological integration and data-driven market insights. By aligning its projects with evolving consumer preferences and sustainability considerations, the Group aims to deliver resilient, high-quality developments that create long-term value for both homeowners and investors.

Review of the Group's Business and Operations

Johor Bahru's economic landscape continues to evolve, driven by transformative infrastructure and policy initiatives such as the Johor–Singapore Special Economic Zone (JS-SEZ) and the Johor Bahru–Singapore Rapid Transit System (RTS) Link. The convergence of these developments is expected to enhance regional connectivity, facilitate cross-border mobility and stimulate investment flows, positioning Johor Bahru as an increasingly attractive hub for economic and property-related activities.

Against this backdrop, IWCity remains well-positioned to align its growth strategy with these structural developments. Supported by a strategically located landbank and established developments, the Group is poised to benefit from increasing demand for well-connected residential and commercial properties within the Iskandar region.

During FYE2025, the Group continued to focus on residential developments to capture growing market demand in Johor Bahru. Despite prevailing macroeconomic challenges, including rising construction costs, the local property market demonstrated resilience, supported by infrastructure-led growth and sustained interest in properties within close proximity to the city centre and key transit nodes. Demand continues to be driven by both local purchasers and foreign investors seeking well-designed, value-oriented homes with long-term appreciation potential.

Danga Sutera remained a key contributor, with Phase 3, comprising 84 semi-detached units fully completed and delivered. The remaining component comprises approximately 2.64 acres of commercial land, which is planned for future release to the market and is expected to garner positive interest. The development offers unrivalled connectivity and accessibility, with convenient access to Johor Bahru's Central Business District, Iskandar Puteri, Senai International Airport, the North-South Highway, as well as Singapore via the Johor Bahru Causeway and Second Link. In addition, the remaining Bumiputera quota units are scheduled for release in FYE2027 and are anticipated to attract continued demand.

MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

Review of the Group's Business and Operations cont'd

At Botanika, the completion of Tower B marked a significant milestone, enhancing the development profile. Demand for properties within close proximity to the upcoming RTS Link remains strong, providing a positive outlook for the project overall. However, the release of the remaining Bumiputera units in Towers B and C is now expected to be deferred to FYE2027 due to factors beyond the Group's control. The Group has also unlocked value through the grant of the development rights for Tower A and Town Villas to a well-established and reputable developer, reflecting the Group's continued strategy to unlock value and optimise its development portfolio through strategic partnerships.

In addition, the Group has successfully disposed of a commercial land parcel located at Plentong in the beginning of FYE2026, which benefits from its strategic position adjacent to the East Coast Parkway and in close proximity to the upcoming RTS Link, further reflecting the Group's active portfolio management and capital recycling initiatives.

Beyond development projects, the Group is also progressing with construction and infrastructure works for the proposed residential developments, namely "Platinum Cove" located in Mukim Plentong and "A3 Danga Island" at Danga Bay, Johor Bahru, which are tentatively targeted to commence in second quarter of FYE2026.

The above demonstrates that the Group adopts a diversified business model, with active involvement in both property development and construction activities. In addition to its role as a developer, the Group also undertakes construction and infrastructure works, thereby enabling greater control over project execution, quality standards, and delivery timelines. This integrated approach enhances operational efficiency and strengthens the Group's ability to capture value across the property development value chain.

Further, the Group continues to strengthen its market presence by leveraging a diversified mix of sales and marketing channels. These encompass project launch events, exhibitions at shopping malls, and digital platforms, enabling wider outreach and enhanced customer engagement. In addition, the Group has established strategic collaborations with sales agencies and financial institutions to tap into established networks and provide customers with professional advisory support on end-financing solutions. Through ongoing digitalisation initiatives and these synergistic partnerships, the Group is better positioned to adapt to evolving market dynamics and capture emerging opportunities within the competitive property sector.

The Group is firmly committed to maintaining strong corporate governance as the cornerstone of integrity, sustainability and responsible business practices. We continue to uphold robust governance standards in full compliance with the Malaysian Code on Corporate Governance 2021 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Our commitment to integrity and zero tolerance towards corruption is further demonstrated through strict adherence to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, as well as the implementation of our Anti-Bribery and Corruption Policy and Whistle-Blowing Policy.

Furthermore, the Group continues to place strong emphasis on Environmental, Social and Governance ("ESG") principles, which are integrated into our overall corporate strategy and operations. We remain committed to conducting business in strict compliance with applicable laws, regulations and regulatory guidelines, while at the same time advancing environmental stewardship, social responsibility and sound ethical practices. This continued focus on ESG reflects the Group's long-term approach to value creation and stakeholder engagement, supporting sustainable growth that benefits not only shareholders, but also employees, local communities and the environment at large.

MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

Review of the Group's Business and Operations cont'd

The following sets out the key financial highlights of the IWCity Group for the past five financial years:

	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Revenue	43,421	101,751	104,721	92,358	18,001
(Loss)/earnings before interest, taxes, depreciation and amortisation ("EBITDA")	(12,478)	(16,443)	3,423	(1,839)	(13,609)
Finance costs	6,221	927	6,267	22,322	17,723
(Loss)/Profit before taxation	(18,637)	(17,162)	(5,263)	(23,617)	(31,197)
Net assets	700,874	719,162	738,525	744,828	777,033
Total assets	1,337,559	1,372,344	1,451,404	1,469,100	1,551,308
Total borrowings	106,723	106,290	109,610	123,948	169,351
Liabilities/Equity (times)	0.91	0.91	0.97	0.97	1.00
Loss per share (sen)	(1.99)	(2.10)	(0.68)	(3.50)	(3.03)
Net assets per share (sen)	76	78	80	81	84
Dividend per share (RM)	-	-	-	-	-

Highlights of IWCity's share prices traded on the Main Market of Bursa Malaysia for the past 5 financial years are as follows:

	2025 RM	2024 RM	2023 RM	2022 RM	2021 RM
Year high	0.635	1.030	0.850	0.400	0.575
Year low	0.245	0.475	0.270	0.230	0.295
Year close	0.250	0.585	0.730	0.270	0.320
Market capitalisation (as at the financial year end) (RM'000)	230,282	538,860	672,423	248,705	294,761

MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

Project Highlights | Future Projects

Artists' impressions/photos and information of our ongoing projects located in Danga Sutera, Danga Bay and Tebrau Bay, Johor Bahru are as follows:

Completion of Danga Sutera Semi D – Pahse 3A and Phase 3B

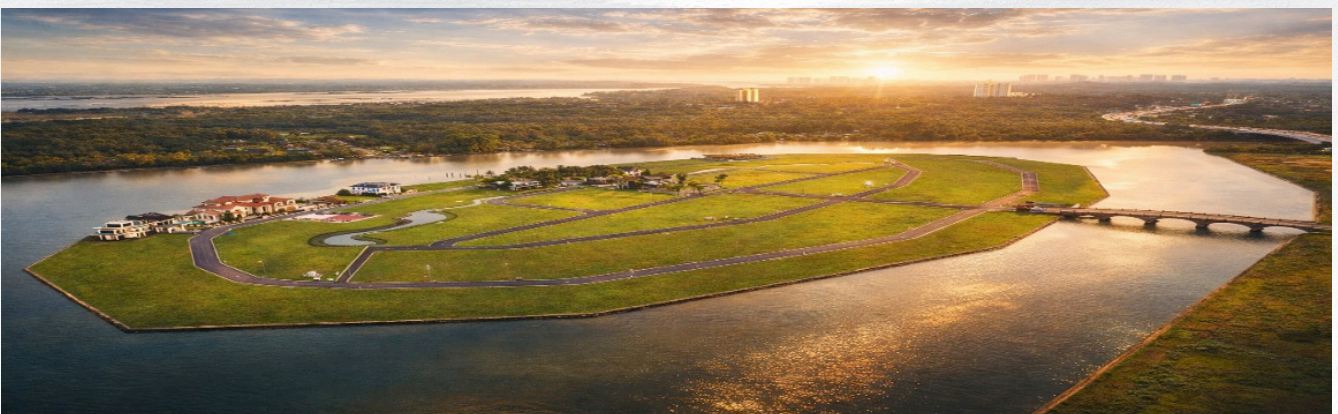
Strategically positioned freehold property within a blooming special economic zone. It comprises 84 units of Semi Detached Houses, delivered to our esteemed purchasers.



Future development and construction projects

Danga Island

Strategically positioned freehold property within a blooming special economic zone. It comprises 152 units of world-class waterfront lifestyle villas with built to order with different designs for your selection.



MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

Project Highlights | Future Projects cont'd

Future development and construction projects cont'd

Tebrau 100 acres

Showcase green, sustainable & functional development to keep up with the current trends for discerning millennial clients.



Illustrative Master Plan



Review of Financial Results and Financial Conditions

For FYE2025, the Group recorded revenue of RM43.42 million (FYE2024: RM101.75 million). The decline was primarily reduced revenue recognition from completed projects, namely Botanika and Danga Sutera, following the progressive completion of construction works and reduced sales activities, and further impacted by delays in the release of Bumiputra units. The loss before tax increased marginally to RM18.64 million, compared to a loss before tax of RM17.16 million recorded in the previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

Review of Financial Results and Financial Conditions cont'd

The property development segment remained the main contributor generating RM42.30 million in revenue, compared to RM114.55 million in FYE2024. The property development segment recorded a segment gross profit of RM0.78 million in FYE2025, primarily driven by revenue from sales of property units and fulfilment of the DRA. Meanwhile for the construction segment, a revenue of RM1.13 million was recorded for FYE2025, compared to a negative revenue of RM12.80 million in FYE2024. The negative revenue for FYE2024 was due to the reversal of construction revenue upon the finalisation of the old construction projects. With the improved in construction revenue, the construction segment recorded a gross profit of RM0.5 million compared to a gross loss of RM11.33 million in previous year.

As at 31 December 2025, the Group had total assets of RM1.34 billion and total liabilities of RM0.64 billion. This is compared to total assets of RM1.37 billion and total liabilities of RM0.65 billion in the previous financial year. The decrease in total assets and total liabilities of the Group was related to the disposal of property units and the decrease in the debt.

Borrowings remains stable of RM106.72 million and the payables reduced by 4% from RM389.65 million to RM374.83 million, contributing to the slight improvement in gearing ratio to 38.23% (FYE2024: 38.60%).

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings and trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Company.

Key Risks and Mitigation Measures

i. Business risks

The property development industry continues to be exposed to a range of inherent business risks which may affect the Group's operations and performance. These include, among others, uncertainties in global and domestic economic conditions, changes in regulatory and policy frameworks, inflationary pressures, intensifying market competition, labour constraints which may impact construction timelines, disruptions in the supply of building materials, public health risks, non-renewal of relevant approvals and licences, as well as financial risks relating to funding and liquidity.

In view of the prevailing conditions in 2025, which continue to be shaped by post-pandemic adjustments, cost pressures and evolving market sentiment, the Group remains vigilant in managing these challenges. Various mitigation measures are in place, including continuous review of operational and marketing strategies, enhancement of efficiency across processes, and close monitoring of ongoing development progress.

Nevertheless, while these initiatives are actively implemented, the Group acknowledges that such risks remain dynamic in nature and may still have potential adverse impacts on performance and project execution.

ii. Strategic Landbank

Land reclamation remains a key component of the Group's long-term development strategy, particularly given the significant proportion of waterfront parcels within its landbank. A substantial portion of the approximately 228 acres of land in Plentong, alienated to IWCity by the Johor State Government, currently comprises submerged areas and therefore requires extensive reclamation works to unlock its full development potential.

MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

Key Risks and Mitigation Measures cont'd

ii. Strategic Landbank cont'd

In undertaking such works, the Group is exposed to inherent execution risks, including but not limited to ground instability following reclamation, which may lead to erosion or settlement issues. These conditions could potentially result in cost overruns, project delays, and reputational impact.

Notwithstanding these challenges, the Board maintains confidence in the Group's ability to execute the reclamation works effectively, supported by relevant technical expertise and experience. The Group continues to prioritise compliance with all regulatory requirements and has also engaged reputable contractors with proven track records in reclamation and large-scale infrastructure works to ensure proper implementation and delivery of the projects.

iii. Strategy Planning and Project Delays

Strategic project planning is defined as a structured approach to establishing development objectives, optimising resource allocation, and identifying potential risks to support the successful delivery of projects. A robust planning framework enhances operational efficiency and risk management, while ensuring alignment with the Group's overall business objectives, applicable regulatory requirements, and prevailing market conditions. Accordingly, disciplined planning practices contribute to improved cost control, more effective execution, and sustainable long-term value creation.

At the same time, while comprehensive planning is fundamental, the timely execution and completion of development projects remain critical to overall project success. Project timelines are often influenced by external dependencies, including the timely receipt of approvals from relevant authorities such as land offices, planning departments, and local councils. In addition, the continuity of construction activities is dependent on the availability of building materials, as well as the performance of appointed contractors and consultants.

As with most property development activities, the Group's ability to deliver projects within the targeted timelines and budget is subject to external factors that may be beyond its direct control. In particular, reliance on third-party contractors and subcontractors introduces execution risks, where any delays or underperformance may have a direct impact on overall project progress.

To mitigate these risks, the Group maintains close supervision over project implementation, including regular monitoring of contractor performance and development milestones, to help ensure that projects are delivered in a timely, orderly, and controlled manner.

iv. Cost of material and development projects

Material costs remain a major component of the Group's overall development expenditure. As many of these inputs are internationally traded commodities, their pricing and availability are inherently exposed to both global and domestic market dynamics. In 2025 landscape, factors such as geopolitical uncertainties, currency fluctuations, energy cost volatility, revisions in electricity tariffs, and evolving government policies continue to create unpredictability in construction-related expenses.

Given the fundamental importance of these materials in the delivery of buildings, structures, and infrastructure, any significant price movements may directly affect the Group's cost base and profitability, particularly for projects with predetermined selling prices.

MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

Key Risks and Mitigation Measures cont'd

iv. **Cost of material and development projects** cont'd

Where actual material costs exceed initial projections after the commencement of a project, profit margins may come under pressure. In addition, rising transportation and logistics costs may further impact overall project viability, especially where there is limited flexibility to pass on such increases to purchasers.

In response, the Group continues to exercise disciplined cost control and adopts proactive procurement strategies, including ongoing market monitoring and close coordination with suppliers and contractors, to manage cost fluctuations and preserve project margins.

v. **Financing and interest rate**

The Group's working capital requirements for its development and construction activities are mostly funded through interest-bearing bank facilities. As such, any movements in interest rates may affect the Group's financing costs, including both interest expenses and debt servicing obligations.

Although future interest rate trends remain uncertain and may impact the Group's financial performance, the Group expects that its existing funding arrangements and available resources will be adequate to meet its ongoing financial commitments.

vi. **Technology adoption**

Technology remains integral to the Group's operations, supporting efficiency, innovation and competitiveness. However, the increasing reliance on digital systems also gives rise to a range of risks that may affect business continuity, data security and overall performance.

The Group acknowledges that in the 2025 environment, technology-related risks have become more complex, particularly in areas such as cybersecurity threats, system disruptions, data protection obligations and the pace of digital transformation. To address these challenges, the Group has put in place comprehensive safeguards, including advanced cybersecurity protocols, data encryption and multi-layer authentication measures to protect critical information assets.

In addition, business continuity remains a key priority, supported by disaster recovery planning, secure cloud-based backups and resilient IT infrastructure. The Group also ensures compliance with applicable data protection regulations and industry standards, while promoting ongoing staff awareness and training to strengthen internal controls. Consideration is also given to the governance of emerging technologies, including automation and AI adoption, to manage associated risks responsibly.

Through continuous review and enhancement of its technology risk management practices, the Group aims to strengthen operational resilience and support sustainable growth in an increasingly digital business landscape.

MANAGEMENT DISCUSSION AND ANALYSIS CONT'D

Forward-looking statements

The Group remains committed to its core property development business, with a continued focus on delivering quality developments that cater to evolving market needs and enhance long-term stakeholder value. In advancing its projects, the Group adopts a comprehensive approach encompassing effective project positioning, targeted marketing initiatives and disciplined execution strategies.

To strengthen market presence and engagement, the Group actively participates in property exhibitions and industry events, while continuing to leverage its network of property agents to expand outreach and improve sales conversion. In parallel, the Group is progressively integrating digital solutions, including virtual property tours and online marketing platforms, to enhance customer accessibility and support informed purchasing decisions.

In addition to its development activities, the Group continues to diversify its business operations by expanding its involvement in construction and infrastructure works. This complementary capability allows the Group to enhance project execution, improve cost efficiencies and strengthen its overall value chain, while reducing reliance on third-party contractors.

Malaysia's economic outlook for 2025 and 2026 is expected to remain resilient, underpinned by steady domestic demand, sustained investment activities and supportive fiscal measures. While growth is anticipated to remain within a moderate range, external headwinds such as global economic uncertainties, geopolitical developments and financial market volatility may present challenges. Nevertheless, the overall outlook is expected to remain stable, supported by ongoing infrastructure development and private sector participation.

Johor Bahru continues to be a key growth region, driven by major catalytic developments such as the RTS Link and the JS-SEZ. The RTS Link, which is targeted to commence operations in 2026, is expected to enhance cross-border connectivity and economic integration with Singapore. In addition, the JS-SEZ is anticipated to attract foreign direct investment, promote business expansion and generate employment opportunities, thereby supporting demand for residential and commercial properties within the region.

In line with these developments, the Group will continue to focus on strategically located projects with strong market fundamentals, offering a balanced mix of residential and commercial properties to meet market demand. At the same time, the Group remains committed to maintaining prudent cost management and operational efficiency to support sustainable project delivery and profitability.

Aligned with its capital management strategy, the Group continues to unlock value from its landbank through targeted initiatives aimed at enhancing cash flows and creating recurring income streams. In addition, in 2026, the Group has disposed of a 16.43 acres land in Plentong, formerly known as Danga Rivera project, which forms part of the South Bay development in Johor Bahru. These efforts have strengthened the Group's liquidity position, optimised capital deployment and provided additional resources for reinvestment into future developments, landbanking and strategic partnerships.

While the Group remains cautiously optimistic on the prospects of the property sector, it acknowledges potential challenges, arising from interest rates fluctuations, cost pressures and external uncertainties. Nonetheless, through disciplined financial management, effective risk mitigation measures and a resilient business model, the Group is well-positioned to navigate the evolving market environment and deliver sustainable long-term value to its stakeholders.

DIRECTORS' PROFILES

TAN SRI DATO' LIM KANG HOO

(Executive Vice Chairman)

Malaysian, male, age 71

Tan Sri Dato' Lim was appointed to the Board on 3 July 2012. He was then appointed as Executive Vice Chairman on 14 August 2012.

Tan Sri Dato' Lim is a Malaysian business magnate and entrepreneur with more than 53 years of experience and has interests in various businesses including construction, master development, property development and investment, plantations and trading of building materials. He started his involvement in the construction industry soon after having a few years of his secondary education, assisting the family construction business.

Tan Sri Dato' Lim possesses visions, dynamism and provides strategic advice to steer the overall business directions of our Group. Over the past years, he has instrumental in the rapid growth of the various company under his leadership.

At present, he is the Group Executive Chairman of Ekovest Berhad, and an Executive Vice Chairman of PLS Plantations Berhad, all of which are listed on the Main Market of Bursa Malaysia. Additionally, he serves as a director of several other private limited companies. His vast experience in the construction industry had been instrumental to the growth and development of the Iskandar Waterfront Holdings Group.

Other Information

1. Family Relationship

He is the father of Mr. Lim Chen Heng and the uncle of Datuk Lim Keng Guan.

2. Conflict of Interest

Given his common directorships and/or shareholdings, he is deemed to be connected to Iskandar Waterfront Holdings Sdn. Bhd. ("IWH"), Knusford Berhad ("KB") and Ekovest Berhad ("EB"). He is one of the major shareholders in these companies. As such, he is considered to be interested in any transactions involving IWH, KB and EB Groups and he shall abstain from deliberation and/or voting on any of such transactions. Apart from these interests, he has no other conflicts of interest with the Group.

3. Conviction of Offences

He has not been convicted of any offences (except traffic offences) within the past 5 years.

MR. LIM CHEN HERNG

(Executive Director)

Malaysian, male, age 39

Mr. Lim Chen Heng was appointed to the Board as alternate director to Tan Sri Dato' Lim Kang Hoo on 8 July 2015. He was then appointed as Executive Director on 1 July 2022.

He graduated with a Bachelor of Science (Honours) in Business Management from Royal Holloway and Bedford New College, University of London, United Kingdom in 2008. Since his graduation, he has involved in the family business, gaining management exposure in the property development, construction, finance, oil & gas and plantation sectors.

He also sits in the Board of several private limited companies, most notably the master developer Iskandar Waterfront Holdings Sdn. Bhd., one of the substantial shareholders of Iskandar Waterfront City Berhad. At present, he is the Group Executive Director of Iskandar Waterfront Holdings Sdn. Bhd., where he oversees the Group's business development, financial performance, investment, divestment and other business ventures. Besides, he is also sitting on the Board of Knusford Berhad and acting as alternate director to Tan Sri Dato' Lim Kang Hoo in PLS Plantations Berhad, both of which are public companies listed on the Main Market of Bursa Malaysia.

Other Information

1. Family Relationship

He is a son of Tan Sri Dato' Lim Kang Hoo ("TSDLKH") and cousin of Datuk Lim Keng Guan.

2. Conflict of Interest

Given his common directorships and/or his relationship with TSDLKH, he is deemed to be connected to IWH, Knusford Berhad ("KB") and Ekovest Berhad ("EB") where TSDLKH is one of the major shareholders. As such, he is deemed to be interested in any transactions involving IWH, KB, EB Groups and he shall abstain from deliberation and/or voting on any of such transactions. Apart from that, he has no other conflict of interest with the Group.

3. Conviction of Offences

He has not been convicted of any offences (except traffic offences) within the past 5 years.

DIRECTORS' PROFILES CONT'D

DATUK LIM KENG GUAN

(Non-Independent Non-Executive Director)
Malaysian, male, age 62

Datuk Lim was appointed to the Board on 5 July 2013, as Executive Director. On 8 March 2024, he was re-designated as Non-Independent Non-Executive Director.

Datuk Lim holds a Diploma in Quantity Surveying and has acquired more than 30 years of in-depth commercial experience in property development, construction and related activities. This includes building and civil engineering works, design and build, turnkey projects, trading in building materials, reconditioning and rental of machinery.

He was previously Project Director of PLS Plantations Berhad, which is listed on the Main Market of Bursa Malaysia. In the year 2000, he joined the Iskandar Waterfront Holdings ("IWH") Group of Companies and was appointed Group Head of Procurement and Contract Administration, playing an instrumental role in the extensive upgrading and reclamation works carried out by the IWH Group of Companies. Datuk Lim is the Executive Chairman of Lim Seong Hai Holdings Sdn. Bhd. and the Executive Vice Chairman of Lim Seng Hai Capital Berhad (collectively "Lim Seong Hai Group"), an entity listed on the ACE Market of Bursa Malaysia. He also holds directorships in other private limited companies.

Other Information

1. Family Relationship

He is the nephew of Tan Sri Dato' Lim Kang Hoo and cousin to Mr. Lim Chen Heng.

2. Conflict of Interest

Given his common directorship and shareholding, he is deemed to be connected to Lim Seong Hai Group which is involved in property development activities. As such, he is interested in any transaction involving the Lim Seong Hai Group and shall abstain from deliberation and/or voting on any of such transactions. Save for the above, he has no other conflict of interest with the Group.

3. Conviction of Offences

He has not been convicted of any offences (except traffic offences) within the past 5 years.

MR. KHAIRUDIN BIN HASAN

(Non-Independent Non-Executive Director)
Malaysian, male, age 54

Mr. Khairudin was appointed to the Board on 13 April 2023, as alternate director to Dato' Hj. Lukman Bin Abu Jari @ Abu Bakar ("Dato' Lukman"). He was then appointed as Non-Independent Non-Executive Director on 9 October 2023. He holds a Bachelors Honours Degree in Accounting & Finance from Lancaster University, United Kingdom. He is also a Certificated Chartered Accountant (ACCA) and a member of Malaysian Institute of Account (MIA).

He currently holds the position as Chief Financial Officer in Kumpulan Prasarana Rakyat Johor Sdn Bhd ("KPRJ"). Prior to joining KPRJ, Mr. Khairudin served at Tebrau Teguh Berhad ("TTB") (currently known as Iskandar Waterfront City Berhad), a Public Listed Companies, as the Head of Corporate and Finance Division and he left TTB in 2012. He has more than 20 years of experience in Corporate and Finance and began his career as Accountant in one of Johor Corporation subsidiaries in 1996. At present, he is an alternate director to Dato' Lukman in Iskandar Investment Berhad and also holds directorships in several other private limited companies.

Other Information

1. Family Relationship

He does not have any family relationship with any Directors and/or substantial shareholders of the Company.

2. Conflict of Interest

Given his common directorship, he is deemed to be connected to Iskandar Waterfront Holdings Sdn. Bhd. Group. He is also deemed to be connected to KPRJ in view of his position in KPRJ, all of which are engaged in property development. As such, he is deemed to be interested in any transactions involving IWH and KPRJ and their Groups and he shall abstain from deliberation and/or voting on any of such transactions.

3. Conviction of Offences

He has not been convicted of any offences (except traffic offences) within the past 5 years.

DIRECTORS' PROFILES CONT'D

MS. KANG HUI LING

(Independent Non-Executive Director)
Malaysian, female, age 54

Ms. Kang Hui Ling holds a Bachelor of Accounting (Hons) Degree from University of Malaya in 1997. She is a member of the Malaysian Institute of Certified Public Accountant and the Malaysian Institute of Accountants. Since her graduation, she acquired 4 years of audit experience in one of the big four audit firms. As audit senior associate, she also gained exposure in field of operation audit and financial due diligence. Subsequently, she joined a medium size multinational consultancy firm as the Finance and Admin Manager where she was responsible for establishing and implementing the company's accounting and operating policies and procedures.

From 2003, Ms. Kang dedicated over two decades to public practice where she played the role of strategic partner and director managing firms and companies specializing in providing accounting, taxation, corporate advisory and assurance services to small medium enterprises across various industries.

Ms. Kang now focuses her extensive experience on corporate governance and board leadership. She currently holds the position of Independent Non-Executive Director in Knusford Berhad, as well as Non-Independent Non-Executive Director at PLS Plantations Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad.

Other Information

1. Family Relationship

She does not have any family relationship with any Directors and/or substantial shareholders of the Company.

2. Conflict of Interest

Given her common directorship, she is deemed to connected to Knusford Berhad. As such, she is deemed to be interested in any transactions involving Knusford Berhad and its Group and shall abstain from deliberation and/or voting on any of such transactions. Apart from that, she has no other conflict of interest with the Group.

3. Conviction of Offences

She has not been convicted of any offences (except traffic offences) within the past 5 years.

MR. CHIN WAI KIT

(Independent Non-Executive Director)
Malaysian, male, age 47

Mr. Chin Wai Kit was appointed to the Board on 1 April 2023. He graduated with an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University of Management and Technology) in May 2022 and obtained his Association of Chartered Certified Accountants (ACCA) qualification in June 2003. He is a Fellow of the Association of Chartered Certified Accountants (FCCA) since July 2007, Chartered Accountant registered with the Malaysian Institute of Accountants ("MIA") since March 2008, Associate Member of Chartered Tax Institute of Malaysia (ACTIM) since August 2009, a Chartered Tax Practitioner since June 2012 and ASEAN Chartered Professional Accountant certified by the ASEAN Chartered Professional Accountants Coordinating Committee (ACPACC) since November 2018.

Mr. Chin has extensive experience in Malaysian taxation, including direct and indirect taxes, cross border transactions, tax risks management, transfer pricing, and other tax related matters. He is currently a Tax Partner and shareholder of PCCO Group.

He also serves as an Independent Non-Executive Director of Ekovest Berhad, a public company listed on Main Market of Bursa Malaysia and as a director of several other private limited companies in Malaysia.

Other Information

1. Family Relationship

He does not have any family relationship with any Directors and/or substantial shareholders of the Company.

2. Conflict of Interest

Given his common directorship, he is deemed to connected to Ekovest Berhad. As such, he is deemed to be interested in any transactions involving Ekovest Berhad and its Group and shall abstain from deliberation and/or voting on any of such transactions. Apart from that, he has no other conflict of interest with the Group.

3. Conviction of Offences

He has not been convicted of any offences (except traffic offences) within the past 5 years.

DIRECTORS' PROFILES CONT'D

MS. SOON CHOOI MEE

(Independent Non-Executive Director)

Malaysian, female, age 67

Ms. Soon Chooi Mee graduated from Robert Gordon University, Aberdeen, UK with BSc. In Quantity Surveying in 1984. She is a registered member of the Institute of Surveyors Malaysia. She started her career with the Public Works Department (JKR) as a quantity surveyor and remained a loyal civil servant until she retired after serving for more than 30 years.

She has served in various sectors within the Department starting with the Quantity Surveying Branch, implementing development projects by providing project management skill with cost and contract management in particular. Upon every promotion opportunity and career advancement, she worked for different sectors within the Department. She moved to the Mechanical Branch bringing her expertise to develop and establish an independent Quantity Surveying Unit within the branch. She undertook various development projects including schools, colleges, universities whilst she was attached to the Education Branch. At the Security Branch, she worked in the implementation of various defense and high-level security projects including police departments, prisons, drug rehabilitation centers, army camps and immigration centers. Besides implementing development projects, she was also involved in the upgrading and renovation of buildings, notably the Parliament Building and the Malaysian Hall in London.

She was seconded to the Sewerage Department under the Ministry of Energy Transition and Water Transformation to implement the development and upgrading of sewerage systems in Malaysia, working closely with Indah Water Consortium.

On top of her daily duties, she was actively involved in various committees within and outside the department Bursa Malaysia.

Other Information

1. Family Relationship

She does not have any family relationship with any Directors and/or substantial shareholders of the Company.

2. Conflict of Interest

She has no other conflict of interest with the Directors and the Group.

3. Conviction of Offences

She has not been convicted of any offences (except traffic offences) within the past 5 years.

KEY SENIOR MANAGEMENT'S PROFILES

TAN SRI DATO' LIM KANG HOO

(Executive Vice Chairman)

Malaysian, male, aged 71

Tan Sri Dato' Lim was appointed to the Board on 3 July 2012. He was then appointed as Executive Vice Chairman on 14 August 2012.

Tan Sri Dato' Lim is a Malaysian business magnate and entrepreneur with more than 53 years of experience and has interests in various businesses including construction, master development, property development and investment, plantations and trading of building materials. He started his involvement in the construction industry soon after having a few years of his secondary education, assisting the family construction business.

Tan Sri Dato' Lim possesses visions, dynamism and provides strategic advice to steer the overall business directions of our Group. Over the past years, he has instrumental in the rapid growth of the various company under his leadership.

At present, he is the Group Executive Chairman of Ekovest Berhad, and an Executive Vice Chairman of PLS Plantations Berhad, all of which are listed on the Main Market of Bursa Malaysia. Additionally, he serves as a director of several other private limited companies. His vast experience in the construction industry had been instrumental to the growth and development of the Iskandar Waterfront Holdings Group.

Other Information

1. Family Relationship

He is the father of Mr. Lim Chen Heng and the uncle of Datuk Lim Keng Guan.

2. Conflict of Interest

Given his common directorships and/or shareholdings, he is deemed to be connected to Iskandar Waterfront Holdings Sdn. Bhd. ("IWH"), Knusford Berhad ("KB") and Ekovest Berhad ("EB"). He is one of the major shareholders in these companies. As such, he is considered to be interested in any transactions involving IWH, KB and EB Groups and he shall abstain from deliberation and/or voting on any of such transactions. Apart from these interests, he has no other conflicts of interest with the Group.

3. Conviction of Offences

He has not been convicted of any offences (except traffic offences) within the past 5 years.

MR. LIM CHEN HENG

(Executive Director)

Malaysian, male, aged 39

Mr. Lim Chen Heng was appointed to the Board as alternate director to Tan Sri Dato' Lim Kang Hoo on 8 July 2015. He was then appointed as Executive Director on 1 July 2022.

He graduated with a Bachelor of Science (Honours) in Business Management from Royal Holloway and Bedford New College, University of London, United Kingdom in 2008. Since his graduation, he has involved in the family business, gaining management exposure in the property development, construction, finance, oil & gas and plantation sectors.

He also sits in the Board of several private limited companies, most notably the master developer Iskandar Waterfront Holdings Sdn. Bhd., one of the substantial shareholders of Iskandar Waterfront City Berhad. At present, he is the Group Executive Director of Iskandar Waterfront Holdings Sdn. Bhd., where he oversees the Group's business development, financial performance, investment, divestment and other business ventures. Besides, he is also sitting on the Board of Knusford Berhad and acting as alternate director to Tan Sri Dato' Lim Kang Hoo in PLS Plantations Berhad, both of which are public companies listed on the Main Market of Bursa Malaysia.

Other Information

1. Family Relationship

He is a son of Tan Sri Dato' Lim Kang Hoo ("TSDLKH") and cousin of Datuk Lim Keng Guan.

2. Conflict of Interest

Given his common directorships and/or his relationship with TSDLKH, he is deemed to be connected to IWH, Knusford Berhad ("KB") and Ekovest Berhad ("EB") where TSDLKH is one of the major shareholders. As such, he is deemed to be interested in any transactions involving IWH, KB, EB Groups and he shall abstain from deliberation and/or voting on any of such transactions. Apart from that, he has no other conflict of interest with the Group.

3. Conviction of Offences

He has not been convicted of any offences (except traffic offences) within the past 5 years.

KEY SENIOR MANAGEMENT'S PROFILES CONT'D

MR. LIM FANG CHING

(Chief Operating Officer)

Malaysian, male, aged 40

Lim Fang Ching, assumed the Chief Operation Officer role for Iskandar Waterfront City Berhad ("IWCity") on 1 July 2025 and is mainly responsible to oversee the day-to-day operations of IWCity Group.

He graduated from University of Nottingham with a Master of Arts in Finance and Investment in February 2010. Subsequently, he began his professional career as a Finance Lecturer at UCSI University in Kuala Lumpur ("UCSI"). Between June 2010 and November 2013, he progressed to hold several leadership roles within UCSI, heading various divisions.

In December 2013, he joined Iskandar Waterfront Holding Group as a Senior Associate in the Corporate Finance Department. He was promoted to Manager, Corporate Finance in January 2015, and subsequently appointed as Special Officer to the Managing Director in June 2015. In February 2020, he assumed an additional role as Special Project Director, further expanding his portfolio and responsibilities within the Group. He plays a key leadership role in overseeing the company's engagement with government agencies and regulatory bodies, while also driving strategic initiatives in business and investment development. In addition to public sector engagement, he leads efforts to identify, evaluate, and develop new business and investment opportunities for the Group.

Other Information

1. Family Relationship

He does not have any family relationship with any Directors and/or substantial shareholders of the Company.

2. Conflict of Interest

He is a director in several subsidiaries of Ekovest Berhad. As such, he is considered to have an interest in any transactions involving Ekovest Berhad and its group of companies. Other than the above, he has no conflict of interest with the Group.

3. Conviction of Offences

He has not been convicted of any offences (except traffic offences) within the past 5 years.

MR. KAM WOUI CHEE

(Head of Sale and Marketing (Acting))

Malaysian, male, aged 45

Mr. Kam Wooi Chee, serves as the Head of Sales and Marketing (Acting) at Iskandar Waterfront City Berhad ("IWCity"). With over two decades of experience in the property industry, he is responsible for driving the company's sales revenue strategy, strengthening brand positioning, and enhancing overall customer experience.

He began his career with Iskandar Waterfront Sdn Bhd, a sister company of IWCity in 2004 as a Sales Executive, following the completion of his business studies, where he was involved in a flagship development in Iskandar Malaysia. He was subsequently promoted to Sales Manager, and later to Head of Business Development. In this capacity, he led key master developer initiatives, including land banking, master planning, and land enhancement, to optimise the group's asset value. His key responsibilities have included direct land sales to local and foreign investors and structuring joint ventures with project partners.

In January 2026, he officially took on the key role as Head of Sales and Marketing for IWCity. Known for his negotiation, deal structuring, and stakeholder management, he plays a key role in driving the group's growth and long term profitability.

Other Information

1. Family Relationship

He does not have any family relationship with any Directors and/or substantial shareholders of the Company.

2. Conflict of Interest

He has no other conflict of interest with the Group.

3. Conviction of Offences

He has not been convicted of any offences (except traffic offences) within the past 5 years.

KEY SENIOR MANAGEMENT'S PROFILES CONT'D

MR. SHUM LI YI

(Head of Procurement, Contract and Administration)
Malaysian, male, aged 50

Mr. Shum Li Yi, joined the Company on 1 March 2024 as Head of Procurement, Contract and Administration. He possesses 25 years of working experience in the field of Quantity Surveying major in Procurement, Contract Management and Administration. He has been actively involved in the pre-planning work, from design development stage up to pre & post construction phases of property development.

Mr. Shum holds a bachelor degree in Quantity Surveying from Birmingham City University (Previously known as University of Central England). He began his career path at Pembinaan Sahabatjaya Sdn. Bhd. in 1999 as an Assistant Quantity Surveyor. Over time, he was progressively promoted to Assistant Contract Manager. During his tenure, he played a key role in the development of Universiti Malaysia Sabah - Phase 1B, 2A and 2B in Kota Kinabalu. His responsibilities included procurement and contract administration for both main and subcontract packages, as well as providing assistance in managing and supervising work on-site for the design and construction of an IT & Data Centre and three Biosafety Level 3 Laboratory research facilities. These facilities were fully certified and accredited by the World Health Organization (WHO).

Prior to joining the Company, Mr. Shum held the position of Contract Manager at Ekovest Construction Sdn. Bhd. in 2009. He was subsequently promoted to Assistant General Manager (Contracts), where he was involved in pre-planning and project development, collaborating with the project team to ensure project viability. One of his most significant involvements during his tenure with the company was handling both the main contract and over 100 subcontract packages for the mixed development project 'Ekocheras'. This development comprised a shopping mall and five tower blocks consisting of service apartments, offices, and a hotel under the Ekovest Berhad Group.

He has more than 25 years of experience in the property construction and development sector, which will enable him to contribute and safeguard the project budget including providing recommendation for cost saving and conduct value engineering together with the project team toward the success of the projects within the group.

Other Information

1. Family Relationship

He does not have any family relationship with any Directors and/or substantial shareholders of the Company.

2. Conflict of Interest

He has no other conflict of interest with the Group.

3. Conviction of Offences

He has not been convicted of any offences (except traffic offences) within the past 5 years.



CORPORATE SUSTAINABILITY

SUSTAINABILITY STATEMENT

1. INTRODUCTION

Iskandar Waterfront City Berhad (“IWCity” or “the Group”) recognises the importance of balancing economic growth with environmental stewardship and the creation of long-term social value.

Sustainability remains a continuous journey for the Group and is committed to progressively enhancing our sustainability practices. This includes strengthening our governance standards, fostering inclusive community development, exploring and implementing initiatives that support a low-carbon transition, in response to evolving stakeholder expectations, in alignment with the Group’s business strategy, and emerging sustainability standards.

Scope and Boundary

We are pleased to present our Sustainability Statement (“Statement”), which reflect our ongoing commitment to transparency, accountability, and the creation of meaningful and sustainable impact across our operations.

IWCity is a property developer focusing on residential and commercial developments in Johor Bahru. The scope of this Statement covers the sustainability progress, initiatives and impacts arising from the Group’s property development activities. This Statement presents both financial and non-financial disclosures in relation to the Group’s property development operations for the financial period from 1 January 2025 to 31 December 2025 (“FY2025”), with comparative historical data presented where available.

GUIDELINES AND STANDARDS

The Statement has been prepared with reference to Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) and Global Reporting Initiatives (“GRI”) Standards. For greenhouse gas (“GHG”) emissions measurement and reporting, the Group adopts the principles and methodology set out in the GHG Protocol.

REPORT QUALITY AND ASSURANCE

The Statement has been reviewed by the Board Risk Management and Sustainability Committee of IWCity, with the support and advice from the Sustainability Working Group comprising the heads of department and subsequently presented to the Board of Directors for approval before publication. The data disclosed in this statement has not been subjected to an assurance process. Nonetheless, the Group plans to incorporate internal review by the internal audit function going forward.

SUSTAINABILITY GOVERNANCE

Our Group adopts a sustainability governance approach that fits our culture, needs, and level of maturity of the sustainability intellect and readiness. This approach ensures that sustainability matters are systematically identified, assessed, monitored and managed across the Group.

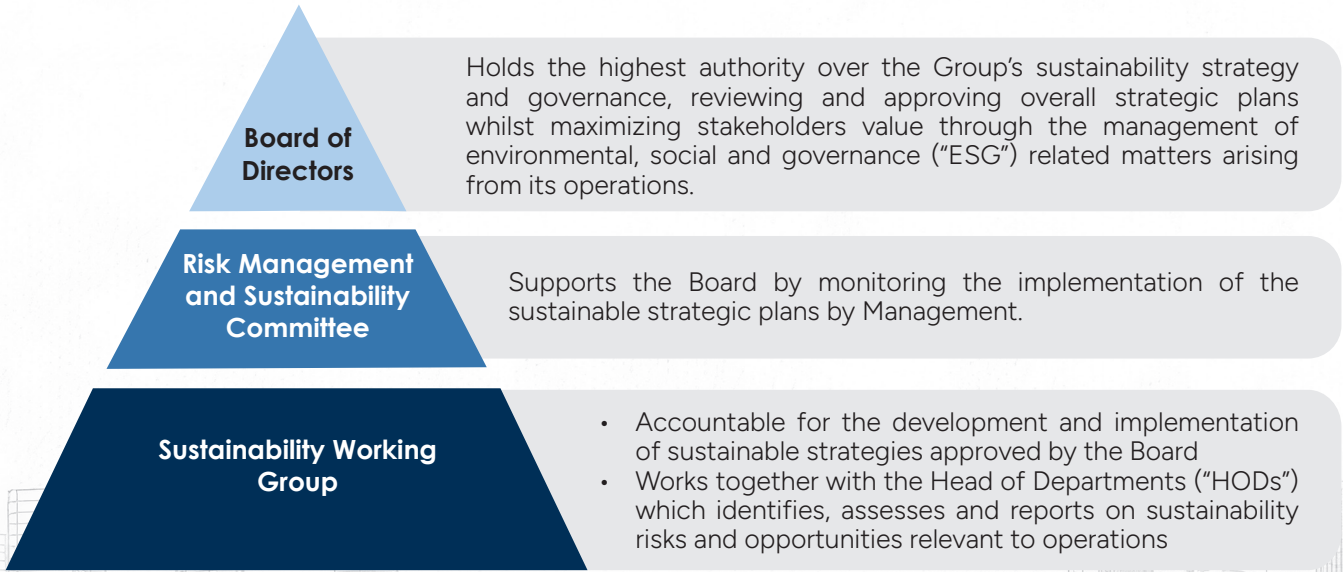
Sustainability governance within the IWCity is led by the Board of Directors, the Group’s highest governing body, which provides strategic oversight on sustainability matters. The Board is supported by the Board Risk Management and sustainability Committee and the Sustainability Working Group, which collectively drive the implementation, monitoring and continuous improvement of the Group’s sustainability matters.

SUSTAINABILITY STATEMENT CONT'D

1. INTRODUCTION cont'd

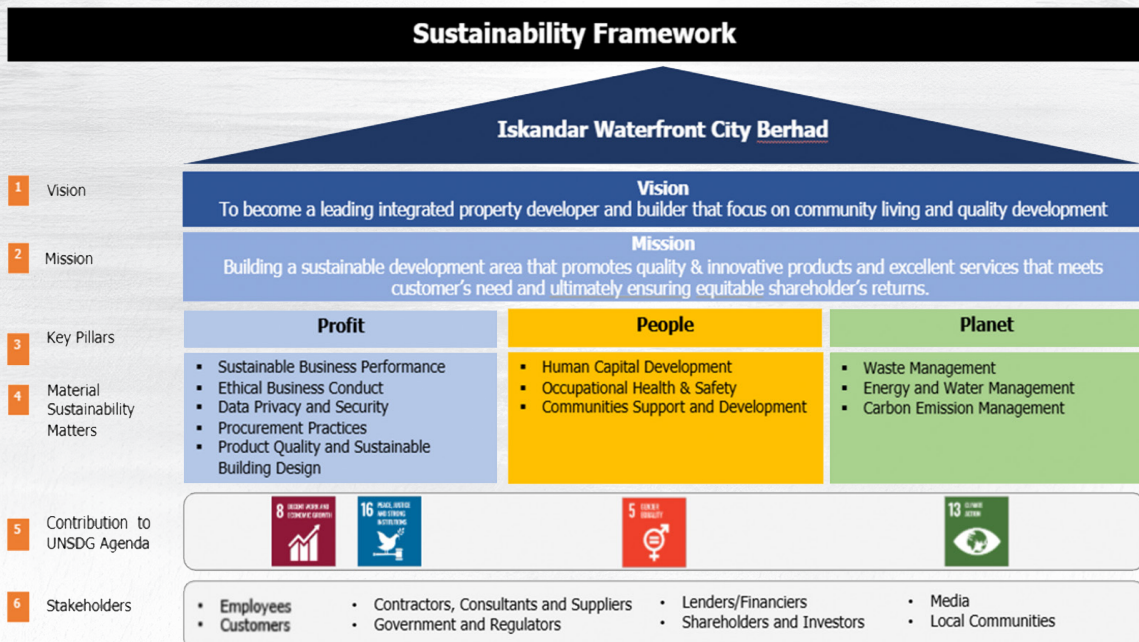
SUSTAINABILITY GOVERNANCE cont'd

The diagram below summarises the Group's sustainability governance, including the roles and responsibilities¹ of the respective committees in overseeing sustainability matters.



2. SUSTAINABILITY FRAMEWORK

The Group has implemented a sustainability framework to identify, manage and monitor our sustainability management practices. Our sustainability framework, provides the overarching principles guiding the Group's sustainability practices. The framework encompasses our material ESG matters, contribution to United Nations Sustainable Development Goals ("UNSDG") agenda and our Stakeholders.



¹ GRI 2-14 Role of the highest governance in sustainability reporting

SUSTAINABILITY STATEMENT CONT'D

2. SUSTAINABILITY FRAMEWORK cont'd

OUR VALUE CHAIN AS A PROPERTY DEVELOPER

IWCity's value chain spans from development planning, financing, design, procurement, construction, sales, completion, and property management. Each stage is executed with a focus on quality, regulatory compliance, cost efficiency, and sustainability considerations, supported by responsible contractor management, effective project execution, and customer-centric delivery. This end-to-end approach enables the Group to deliver sustainable developments while creating long-term value for stakeholders.



3. KEY HIGHLIGHTS

GOVERNANCE



Zero
Whistleblowing cases were reported



100%
Local Supplier

SOCIAL



Zero
Lost-time injury rate ("LTIR") and incidents




RM47,523.65
contributed to community programmes


SUSTAINABILITY STATEMENT CONT'D

3. KEY HIGHLIGHTS cont'd

ENVIRONMENTAL



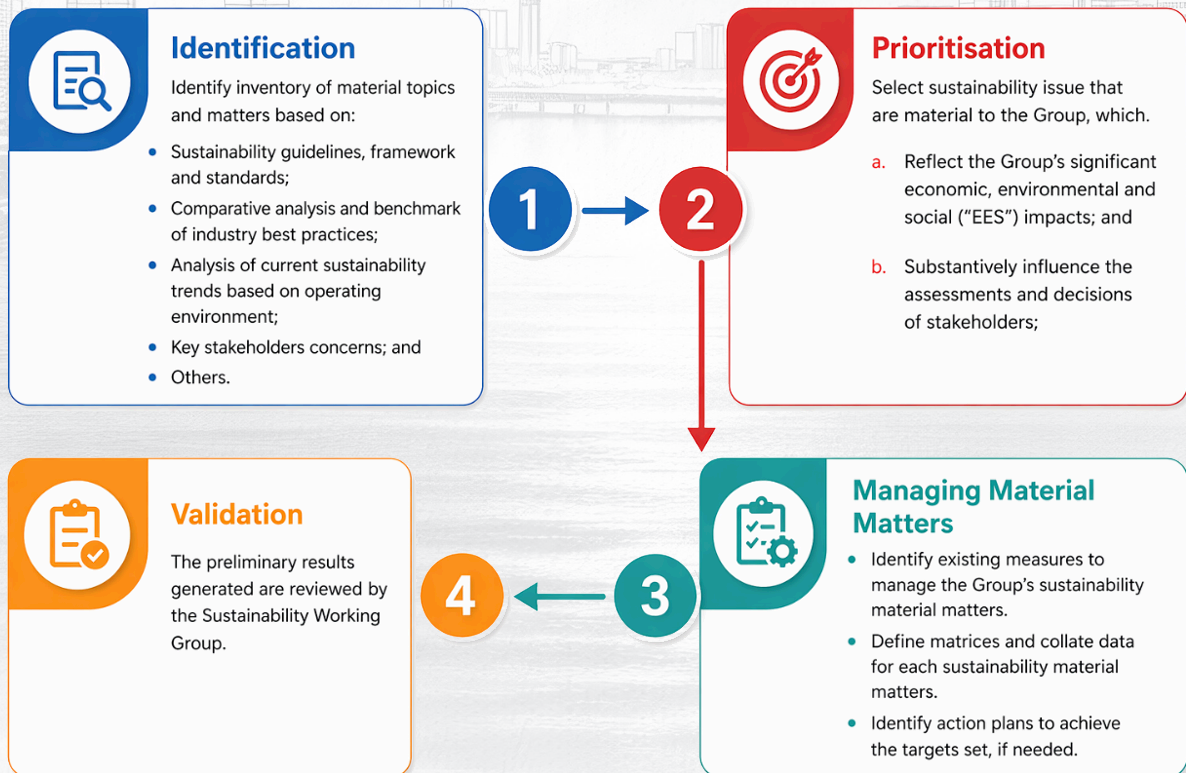
Zero
fines and penalties relating to Environmental Act



438.25 TCO2-e
Scope 2 Emissions

4. DETERMINATION OF OUR MATERIAL MATTERS

We have implemented a 4-step materiality assessment procedure to identify the sustainability material matters. The goal of our materiality assessment is to determine which sustainability matters are most relevant and significant to our business and stakeholders, helping us to focus our efforts on addressing the key sustainability matters.





SUSTAINABILITY STATEMENT CONT'D

4. DETERMINATION OF OUR MATERIAL MATTERS cont'd

ENGAGING WITH OUR STAKEHOLDERS²

Engagement with stakeholders helps the Group to better understand how its activities impact on the economy, environment, and society. The engagement provides opportunity to identify sustainability matters which may not have been considered or were overlooked by the Group. The relevant stakeholders are those with the highest level of influence or interest and who may be the target audience of the Group's sustainability performance and disclosures.

Set out below are the various types of stakeholder engagements as well as the areas of interest identified together with the appropriate responses to address such key concerns arising.



Stakeholder Groups	Engagement Method/Frequency	
 <p>Employees The Group's growth and success is dependent on a diverse and capable workforce to drive our business objectives and achieve our long-term goals, it is critical for us to ensure the wellbeing of all our employees and support their career growth and advancement.</p>	<ul style="list-style-type: none"> • Performance review • Department and Management meeting • One to one engagement 	<ul style="list-style-type: none"> • Annually • Monthly • As needed
 <p>Customers Understand their evolving needs and concerns to cultivate positive long-term relationships with our customers and improve our services and quality.</p>	<ul style="list-style-type: none"> • IWCity's Website • Corporate and Media Announcement • Social Media • Project Launches • Customer Survey 	<ul style="list-style-type: none"> • As needed
<p>Key Concern</p> <ul style="list-style-type: none"> • Fair employment practice and diversity • Training and career progression • Safe and healthy working environments • Employee benefits and welfare <p>Our Responses:</p> <ul style="list-style-type: none"> • Adherence to employment laws • Establishment of employee handbook, code of conduct and other policies • Training programs to support career growth and personal development • Annual performance appraisal <p>Key Concern</p> <ul style="list-style-type: none"> • Quality and workmanship • Misrepresentation of property design features • Personal data protection • Project portfolio and pricing <p>Our Responses:</p> <ul style="list-style-type: none"> • Appoint reputable contractor with strict quality control process • Conduct market survey and continuous engage with customers to understand their requirements • Personal Data Protection Policy to safeguard customer's information 		

² GRI 2-29 Approach to stakeholder engagement

SUSTAINABILITY STATEMENT CONT'D

4. DETERMINATION OF OUR MATERIAL MATTERS cont'd

ENGAGING WITH OUR STAKEHOLDERS² cont'd

Stakeholder Groups	Engagement Method/Frequency	
 <p>Contractors, Consultants and Suppliers Our contractors, consultants and suppliers enable us to continue delivering quality development to our customers. Maintaining sustainable relationships with our contractors, consultants and suppliers ethical and trustworthy alliances.</p>	<ul style="list-style-type: none"> • Project updates and meetings • Supplier/contractors evaluation 	<ul style="list-style-type: none"> • Monthly • As needed
 <p>Government and Regulators Relationships with the Government and regulators enable the Group to keep abreast on relevant changes to regulations, ensuring continued compliance with local laws and requirements and obtaining necessary approval for our development projects.</p>	<ul style="list-style-type: none"> • Site inspection and visit • Compliance and regulatory requirements reporting 	<ul style="list-style-type: none"> • As needed
	<p>Key Concern</p> <ul style="list-style-type: none"> • Fair and transparent tender and procurement process • Prompt payment • Continuous and future business opportunities <p>Our Responses:</p> <ul style="list-style-type: none"> • Professional approach in reviewing suppliers/contractors • Perform annual supplier and vendor evaluations • Standard payment cycles and procedures • Support local contractors, consultants, suppliers 	
	<p>Key Concern</p> <ul style="list-style-type: none"> • Ensuring the Group adherence to applicable regulations • Upholding corporate governance and best business practices • The Group met the requirement on Development plan, Traffic Impact Assessment, Planning Authority, Water, Electricity, etc. <p>Our Responses:</p> <ul style="list-style-type: none"> • Maintain close consultation with authorities and local government • Corporate governance internal policies 	

² GRI 2-29 Approach to stakeholder engagement

SUSTAINABILITY STATEMENT CONT'D

4. DETERMINATION OF OUR MATERIAL MATTERS cont'd

ENGAGING WITH OUR STAKEHOLDERS² cont'd



Stakeholder Groups	Engagement Method/Frequency	
 <p>Lenders/Financiers Lenders/Financiers support us through the provision of short- and long-term capitals enabling us to manage our operation and achieve our business objectives among others include development projects, working capital, etc.</p>	<ul style="list-style-type: none"> IWCity website Corporate and media announcement Loan covenant and compliance reporting Ad-hoc IWCity festive event 	<ul style="list-style-type: none"> As needed
 <p>Shareholders and Investors Shareholders and investors provide us the necessary resources to execute our strategy and achieve growth. In return, we need to operate responsibly, thus delivering strong and sustainable financial returns.</p>	<ul style="list-style-type: none"> Quarterly Report Corporate and media announcement Social Media/IWCity Website Annual General Meeting ("AGM")/ Extraordinary General Meeting ("EGM") Annual report 	<ul style="list-style-type: none"> Quarterly As needed Annually
	<p>Key Concern</p> <ul style="list-style-type: none"> Sustainable performance, where the Group can repay the loans IWCity's commitment towards ESG and sustainability practices Adequacy of corporate governance, risk management and internal controls <p>Our Responses:</p> <ul style="list-style-type: none"> Provide timely updates on our financial performance and corporate developments Report relevant ESG performance in our annual report Corporate governance internal policies Annual risk assessment to identify and mitigate potential risk 	
	<p>Key Concern</p> <ul style="list-style-type: none"> Sustainable performance, where IWCity can build/improve confidence level of shareholders, boost share price and can continue to pay dividends to their shareholders Report relevant ESG performance in our annual report Corporate governance, risk management and internal controls <p>Our Responses:</p> <ul style="list-style-type: none"> Communicate financial results, key development and strategies through quarterly announcement and annual report Provide responses to shareholders and investor queries at our AGM / EGM Corporate governance internal policies 	

² GRI 2-29 Approach to stakeholder engagement

SUSTAINABILITY STATEMENT CONT'D

4. DETERMINATION OF OUR MATERIAL MATTERS cont'd

ENGAGING WITH OUR STAKEHOLDERS² cont'd

Stakeholder Groups	Engagement Method/Frequency	
 <p>Media</p> <p>The media serves as a crucial link in the chain of communication between the Group and its stakeholders. They play a crucial role in disseminating relevant news about the Group's financial performance, property launches and developments. This promotes brand image and public confidence.</p>	<ul style="list-style-type: none"> Quarterly Report Corporate and media announcement Social Media/IWCity Website AGM/EGM Annual report 	<ul style="list-style-type: none"> Quarterly As needed Annually
 <p>Local Communities</p> <p>Our operations may impact the surrounding communities where we operate. Local community engagement is important to ensure the social and economic benefits concerned are addressed.</p>	<ul style="list-style-type: none"> IWCity website Corporate and media announcement Project launches Corporate social responsibility event 	<ul style="list-style-type: none"> As needed
	<p>Key Concern</p> <ul style="list-style-type: none"> Transparency and promptness in sharing information and progress updates with stakeholders <p>Our Responses:</p> <ul style="list-style-type: none"> Proactively engage with diverse media outlets Maintain open-door communication with the media Swift respond to all media inquiries Briefing sessions to media to share updates on our property launches <p>Key Concern</p> <ul style="list-style-type: none"> Impact of operations/development on surrounding communities and environment <p>Our Responses:</p> <ul style="list-style-type: none"> Provide social and economic benefits to the community through job creating and supporting local businesses Monitor contractors' compliance to local authorities' requirements on construction hours, noise exposure and environmental-related laws and standards Strategic location project planning and launch, create value for surrounding area 	

² GRI 2-29 Approach to stakeholder engagement

SUSTAINABILITY STATEMENT CONT'D

4. DETERMINATION OF OUR MATERIAL MATTERS cont'd

MANAGING MATERIAL SUSTAINABILITY MATTERS^{3 4}

Through our stakeholder engagement and materiality assessment process, we have identified our sustainability matters, reflecting the Group's most significant economic, governance, environmental and social impacts. These material sustainability matters are determined by considering both the perspectives of IWCity's business priorities and the expectations of its stakeholders.

Our first material assessment was conducted for FY2023 Sustainability Statement. The Group has identified 11 material sustainability matters. For FY2024 and FY2025, the Group has remained focused on these sustainability materials that shape and impact our business, which are critical to driving long-term value to the stakeholders.

The materiality assessment is periodically reviewed to ensure that IWCity remains responsive to evolving stakeholder needs, emerging sustainability trends, business strategies and changes in the external operating environment.

The Group's material matrix is illustrated as below:



³ GRI 3-1 Process to determine material topics

⁴ GRI 3-2 List of material topics

SUSTAINABILITY STATEMENT CONT'D

4. DETERMINATION OF OUR MATERIAL MATTERS cont'd

SUSTAINABILITY RISK AND OPPORTUNITIES

In FY2025, the Group further strengthened its approach to managing sustainability matters by adopting a process to identify and evaluate sustainability-related risk and opportunities across its value chain. This enhanced approach enables the Group to better anticipate potential impacts and support informed, strategic decision making.

The table below provides a summary of IWCity's sustainability matters and the corresponding sustainability-related risks and opportunities.

	Sustainability Matters	Risk and Opportunity Descriptions	Affected Value Chain
	RISK		
	Sustainable Business Performance	The Group is exposed to risk arising from evolving regulatory requirements, market expectations, cost pressures associated with environmental and social considerations and shifting customer preferences towards more sustainable properties. These risks can affect project viability, revenue visibility, cash flow stability and access to financing.	<ul style="list-style-type: none"> ❖ Development Planning, ❖ Financial & Capital Planning ❖ Design & Development
PROFIT	Ethical Business Conduct	Failure to uphold high standards of integrity and ethical conduct can undermine stakeholder trust and the Group's long term business resilience. This risk is heightened by reliance on intermediaries, evolving regulatory requirements and insufficient governance controls or employee awareness, which may increase exposure to ethical breaches and negatively impact long term value creation.	<ul style="list-style-type: none"> ❖ Across the entire value chain
	Data Privacy and Security	The Group is exposed to risks associated with data privacy and cybersecurity arising from increased digitalisation. Weak IT controls or ineffective responses to cyber threats may result in data breaches.	<ul style="list-style-type: none"> ❖ Sales & Marketing ❖ Property Management

SUSTAINABILITY STATEMENT CONT'D

4. DETERMINATION OF OUR MATERIAL MATTERS cont'd

SUSTAINABILITY RISK AND OPPORTUNITIES cont'd

Sustainability Matters		Risk and Opportunity Descriptions	Affected Value Chain
RISK			
PROFIT	Procurement Practices	Weak procurement governance, including inadequate transparency, pre qualification and oversight may result in the engagement of contractors and suppliers that do not meet required quality, environmental, health and safety or ethical standards.	<ul style="list-style-type: none"> ❖ Procurement & Contract Management ❖ Construction & Project Execution ❖ Project Completion & Handover
	Product Quality and Sustainable Building Design	Insufficient integration of sustainable and low carbon design considerations at the design & development stages may lead to higher embodied carbon emissions throughout the building lifecycle. This may limit the Group's ability to manage climate related risks.	<ul style="list-style-type: none"> ❖ Design & Development ❖ Sales & Marketing ❖ Property Management
PEOPLE	Occupational Health & Safety	Occupational health and safety risks arising from construction activities for the Group. Safety incidents, exacerbated by climate related factors such as extreme heat, may affect worker well being, operational continuity and regulatory compliance.	<ul style="list-style-type: none"> ❖ Construction & Project Execution
	Human Capital Development	The Group is exposed to risks associated with its ability to attract, develop, and retain a skilled and diverse workforce. Failure to foster an inclusive workplace, maintaining competitive remuneration, and maintaining employee engagement may weaken talent retention and impact organisational culture. Gender inequality risks, including unequal access to career advancement, leadership opportunities, training, and fair remuneration, may further undermine workforce diversity, employee satisfaction, and the Group's reputation. In addition, inadequate training and development programmes may reduce productivity and limit the Group's ability to respond effectively to changing operational and regulatory demands.	<ul style="list-style-type: none"> ❖ Across the entire value chain

SUSTAINABILITY STATEMENT CONT'D

4. DETERMINATION OF OUR MATERIAL MATTERS cont'd

SUSTAINABILITY RISK AND OPPORTUNITIES cont'd

	Sustainability Matters	Risk and Opportunity Descriptions	Affected Value Chain
RISK			
PLANET	Waste Management	Ineffective waste management practices, including improper handling, storage and disposal of waste, can cause contamination and non-compliance with applicable regulations governing waste management.	❖ Construction & Project Execution
	Carbon Emission Management	The Group is exposed to risks associated with the management of greenhouse gas ("GHG") emissions across its design & development activities, including emissions arising from construction processes. Evolving regulatory requirements, stakeholder expectations and market preferences for low-carbon development may increase compliance cost and require the adoption of sustainability materials, and integration of low-carbon design standards.	❖ Design & Development ❖ Construction & Project Execution ❖ Property Management
	Energy and Water Management	Inefficient management of energy and water resources, including inadequate implementing resource-efficient operational practices, can lead to higher operating costs and exposure to utility price volatility.	❖ Design & Development ❖ Construction & Project Execution ❖ Property Management
OPPORTUNITY			
PEOPLE	Communities Support and Development	Proactive community engagement and support the social and economic development, may improve stakeholder trust, reduced project-related disruptions and enhance brand reputation. These efforts can contribute to the creation of shared value for the Group and the communities in which it operates, supporting sustainable growth and long-term value creation.	❖ Development Planning

SUSTAINABILITY STATEMENT CONT'D

4. DETERMINATION OF OUR MATERIAL MATTERS cont'd

SUSTAINABILITY RISK AND OPPORTUNITIES cont'd

Recognising the potential impact of sustainability-related risks and opportunities on the Group, efforts are being undertaken to identify appropriate mitigation measures, and to integrate these into operational processes and decision-making. The Group continues to monitor the effectiveness of these measures and evaluate the need for further enhancements where necessary.

The Group shall continue to enhance its approach for materiality assessment by adopting best practices, and aligning with the latest Bursa Malaysia Listing Requirements, as well as the National Sustainability Framework ("NSRF"), in managing and disclosing climate and other sustainability-related risks and opportunities.

Key enhancement initiatives to be undertaken include, but are not limited to:

- ❖ Identifying and assessing climate and sustainability-related risks and opportunities across the Group's value chain, with a focus on matters that may reasonably be expected to impact financial performance over the short, medium and long term.
- ❖ Embedding key sustainability-related risks into the Group's risk management processes, including risks that may affect strategic objectives, operational efficiency, organisational culture, technological resilience and corporate reputation. These risks are to be monitored and managed at both Group and functional levels.

5. SUSTAINABILITY INITIATIVES & PERFORMANCE

5.1 PROFIT

5.1.1 SUSTAINABILITY BUSINESS PERFORMANCE



IWCity remains firmly committed to sustainable business performance and long-term value creation, while recognising that it is exposed to financially material risks that may affect its growth, resilience, and competitiveness.

In FY2025, IWCity continued to prioritise its business recovery and long-term sustainability by focusing on the viability of its core developments, advancing project delivery, and implementing initiatives to regularise its financial position.

As part of these efforts, the Group announced its proposed regularisation plan, which includes debt restructuring as well as capital reduction. The regularisation plan was submitted to Bursa Malaysia Securities Berhad and approved on 6 January 2026.

This regularisation plan was undertaken in compliance with Paragraph 8.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which governs the obligations of listed issuers with an inadequate level of operations or in a financially distressed position.

In this regard, the Group is committed to the timely and effective implementation of the regularisation plan to strengthen its financial condition, ensure continued listing status and support sustainable long-term value creation for its stakeholders.

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.1 PROFIT cont'd

OUR BUSINESS PERFORMANCE IN FY2025

In FY2025, the Group recorded revenue of approximately RM43.42 million, representing a decline from RM101.75 million in FY2024. The decrease was mainly due to lower revenue recognition, arising from the timing of construction progress and fewer development milestones achieved during the financial year.

Despite the lower revenue, the Group reported a net loss of RM18.29 million in FY2025, compared to a net loss of RM19.36 million in FY2024. The marginal improvement was attributed by ongoing cost management initiatives and operational efficiencies implemented during the year.

During the year, Danga Sutera Phase 3 served as the core contributor to the Group's financial performance. In FY2025, Danga Sutera Phase 3 completed the development, and the Group is progressively delivering the completed units to the purchasers.

With respect to Botanika Tower A, the Group undertook a strategic review of the proposed development of 264 units of luxury apartments, taking into consideration of the prevailing market conditions, cost implications and expected return. Following this assessment, the Group entered into a Development Rights Agreement with a business partner, whereby the business partner is granted the exclusive rights to plan, develop, market and sell the project.

This strategic collaboration enables the Group to optimise resource allocation, mitigate development risks and enhance financial positions. This collaboration also allows the Group to leverage the expertise and resources of its business partner, thereby improving overall project viability and supporting sustainable value creation.

LOOKING AHEAD

The Group remains optimistic on the outlook of the Johor Bahru property market, supported by improving economic activities, cross-border mobility and the progressive development of the key infrastructure initiatives within the Johor region. IWCity is well positioned to capitalise on emerging opportunities through its strategic landbank located within Johor's waterfront development corridor.

While prioritising the implementation of its regularisation plan, the Group intends to unlock the value of these land assets through a phased development approach, complemented by strategic collaborations with business partners where appropriate to optimise returns and manage risks.

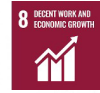
In addition, to further strengthen the Group's financial position, the Group aims to leverage its expertise in property development by expanding its participation in construction-related activities, particularly in project management while enhancing project execution capabilities and strengthening cost management practices to improve operational efficiency and margin sustainability.

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.1 PROFIT cont'd

5.1.2 PRODUCT QUALITY AND SUSTAINABILITY BUILDING DESIGN



At IWCity, we are committed to delivering high-quality, sustainable developments that resonate with the growing expectations of customers. Our focus on sustainable design not only supports environmental stewardship but also strengthen our competitive advantage and enhances the long-term resilience of our business, and reinforces the Group's reputation as a responsible property developer.

Across our developments, IWCity incorporates practical sustainable features, including optimised use of natural lighting, promotion of natural air flow for ventilation, efficient spatial planning, green landscaping, and the utilisation of high-quality durable building materials. These elements are carefully integrated to create environmentally responsible living and commercial spaces that meet the evolving needs of our communities.

At the same time, the Group is in the preliminary stages of exploring the development of Sustainability Building Design framework. To date, no formalised principles and approaches toward greener construction practices have been established. The Group is currently evaluating potential measures and industry practices that may support greener construction going forward. These include the possible adoption of sustainable materials, such as green cement and the increased use of eco-friendly products certified by recognised local certification bodies for applications including ceiling systems, skim coatings and waterproofing solutions.

In addition to our commitment to sustainability, the Group places strong emphasis on delivering quality developments through robust project management and quality control practices. Current measures in place include:



STRINGENT CONTRACTOR SELECTION

Contractors undergo a rigorous pre-qualification process to ensure that only reliable and capable partners are appointed.



REGULAR SITE INSPECTION

Weekly site inspections are conducted by the project team, alongside consultants and contractors to promptly identify and rectify any issues early.



FINAL QUALITY INSPECTION

A comprehensive final inspection is carried out jointly with consultants and contractors to address any outstanding quality issues prior to the handover of properties to customers.



PROJECT-QUALITY-PLAN ("PQP") MONITORING

Contractors are required to submit a PQP, which is reviewed by the project team to ensure it is adequate for achieving the intended quality benchmarks.



DEFECT RECTIFICATION

During the defect liability period, customer-reported defects are resolved within the timeframe stipulated by the Housing Development Act, with the contractors required to complete rectifications within 30 days.

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.1 PROFIT cont'd

5.1.2 PRODUCT QUALITY AND SUSTAINABILITY BUILDING DESIGN cont'd



These efforts reflect IWCity's ongoing commitment to responsible development, balancing product quality, environmental considerations, and long-term value creation for its stakeholders, while adopting a measured and practical approach in line with its current stage of business recovery.

The Group has set the target to achieve a minimum 75% average score during QCLASSIC assessment for residential development projects and complete the defect rectification within 30 days from the date of the defect list received.



Sustainability Scope	Indicator	Target
Quality Assurance	QCLASSIC assessment score for residential development projects	Min 75%
Defect Rectification	Timely Defect rectification (average days from the date of defect list received)	30 days

Danga Sutera Phase 3, handed over in FY2025, achieved a QCLASSIC score of 80%, surpassing the minimum target of 75%. This underscores the Group's continued commitment to maintaining high standards of quality assurance in its developments.

5.1.3 PROCUREMENT PRACTICES



Engagement with suppliers and contractors is essential to maintaining high standards of quality and delivery amid evolving economic conditions in Malaysia. The Group aims to ensure a stable and cost-efficient supply of services and materials, while delivering quality products in a timely manner in accordance with required specifications and stakeholder expectations.

Local procurement is one of the key priorities of the Group, reflecting our commitment to creating economic value and supporting the development of local communities.

The Group continued to achieve a 100% local procurement rate in FY2025, by engaging exclusively with local subcontractors and suppliers. This achievement underscores our continued commitment to fostering sustainable partnerships that support mutual growth, while contributing to the local economy.

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.1 PROFIT cont'd

5.1.3 PROCUREMENT PRACTICES cont'd



Indicator	Unit	FY2023	FY2024	FY2025
Proportion of spending on local suppliers ⁵	Percentage	100%	100%	100%

As part of the Group's effort to promote a transparent and inclusive procurement process, IWCity has established procurement policies that provide equal opportunities to both new and existing suppliers and subcontractors, through defined tender qualification criteria. These criteria extend beyond quality, cost competitiveness and timely delivery, and also take into consideration suppliers' and subcontractors' sustainability practices, including the adoption of environmentally responsible materials and processes.

Besides that, the Group's Technical Assessment Committee plays a critical role in overseeing the procurement decisions, ensuring that all processes are conducted with fairness, impartiality, and adherence to the Group's sustainability and quality standards.

5.1.4 ETHICAL BUSINESS CONDUCT



The Group places utmost importance on maintaining the highest standards of business conduct, which includes upholding integrity and practicing good corporate governance. To uphold this commitment, the Group has put in place various policies that outlets the Group's stances, commitments, or expectations for the stakeholders.



Code of Conduct & Ethics

Establishes the Group's core values, ethical principles and standards of conduct, applicable to employees, business associates and third-party intermediaries in all business dealings.



ABAC Policy

Sets out the Group's zero-tolerance stance against bribery and corruption, applicable to employees, directors, suppliers and business associates to ensure all operations are conducted with integrity.



Whistleblowing Policy

Provides a formal channel for employees and stakeholders to report misconduct in good faith, with assurance of confidentiality and protection against retaliation.



Employees are required to follow the Group's ethical standards, act with integrity and must not be involved in any corrupt or illegal activities. Any misconduct is taken seriously.

⁵ GRI 413-1 Operations with local community engagement, impact assessments and development programs.

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.1 PROFIT cont'd

5.1.4 ETHICAL BUSINESS CONDUCT cont'd



In FY2025, there was no bribery and corruption case reported. None of our employees was disciplined or dismissed for violating the Group's policies.

Indicator	Unit	Target	FY2023	FY2024	FY2025
Confirmed incidents of corruption ⁶	Number of cases	Zero Cases	Zero	Zero	Zero

IWCity maintains a zero-tolerance stance towards bribery and corruption and has set a target of zero corruption case. We aim to continue to maintain this record through continuous strengthening of its governance framework, internal controls and ethical practices across all levels of the organisation.

CORRUPTION RISK ASSESSMENT AND TRAINING

IWCity conducted annual corruption risk assessment across the Group's operations, which includes evaluating the potential impact of bribery and corruption risks, as well as identifying exposure to corruption-related activities relevant to the industries in which the Group operates. This enables the Group to proactively strengthen its internal controls and mitigation measures to address identified risks. The Group has implemented procedure to communicate its ABAC Policy and corruption stance to stakeholders. As at FY2025, IWCity Directors and employees have received training on anti-corruption as summarised in the below table:

Indicator	Unit	FY2023	FY2024	FY2025
Employees trained for anti-bribery & corruption ⁷				
Management	Percentage	57%	100%	100%
Executive	Percentage	100%	100%	100%
Non-Executive/ Technical Staff	Percentage	17%	100%	100%
General Workers	Percentage	Zero	Zero	Zero

⁶ GRI 205-3 Confirmed incidents of corruption and actions taken

⁷ GRI 205-2 Communication and training about anti-corruption policies and procedures

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.1 PROFIT cont'd

5.1.5 DATA PRIVACY AND SECURITY



The Group recognises the importance of safeguarding confidential information belonging to various stakeholders, including customers' personal data and the Group's financial information, against potential data security breaches.

The Group has developed a Personal Data Protection Policy in accordance with the principles of the Personal Data Protection Act 2010. This policy provides guidance on the collection, processing, use, disclosure and storage of personal data. The Personal Data Protection Policy is publicly available on our corporate website, serves to promote transparency, accountability and responsible data management practices.

In ensuring customer's privacy is protected, the Group has established an Information Technology security policy and procedure as a guideline to secure the customer data from any cyber threats. IWCity has also implemented appropriate cybersecurity measures, including firewalls, private networks, backup systems, and anti-virus and anti-malware systems to strengthen its overall IT security framework.

By embedding these cybersecurity practices across the operations, we aim to safeguard stakeholder trust and support the long-term sustainability of our business in an increasingly digital environment.

In FY2025, IWCity did not receive any customer complaints relating to data privacy breaches, nor was it notified of any incidents involving data leakage or loss of customer information⁸.

Indicator	Unit	Target	FY2023	FY2024	FY2025
Complaints concerning breaches of customer data and privacy ⁸	Number of cases	Zero Complaint	Zero	Zero	Zero

⁸ GRI 418 Substantiated complaints concerning breaches of customer privacy and losses of customer data

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.2 PEOPLE

5.2.1 HUMAN CAPITAL DEVELOPMENT



EMPLOYEE RETENTION AND ATTRACTION

The Group recognises that employees are the most valuable asset and remains committed to supporting their growth through structured career development while fostering an inclusive workplace culture, maintaining competitive remuneration practices to attract and retain talent. The Group's aim to enhance the workforce productivity, and support sustainable long-term organizational performance.

Employees' benefits are provided in accordance with the Employment Act 1995 and the Minimum Wages Order 2024, ensuring compliance with applicable labour regulations. The Group also reviews its remuneration and reward programs periodically to remain competitive and support talent retention and attraction. In addition, the Group has developed an employee handbook that outlines key workplace policies and procedures, serving as a guide to promote regulatory compliance, set clear expectations, ensure consistency in practices, and support the effective functioning of the organisation.

Indicator	FY2023	FY2024	FY2025
Employee turnover⁹ by category (Number)			
Management	Zero	2	2
Executive	1	7	Zero
Non-Executive	Zero	5	Zero
General Worker	Zero	Zero	Zero

We are proud to have a highly engaged workforce, as reflected in the strong retention and long tenure of its employees, which underscores the Group's commitment to employee well-being and organisational stability.

TRAINING AND DEVELOPMENT

The Group's primary objective is to cultivate a strong and capable team, recognizing that long-term success and growth are driven by the skills, competencies and dedication of its employees. In this regard, the Group's human resource strategies are focused on building a resilient and productive team that can effectively achieve and support its business objectives.

The Group is committed to providing employees with diverse and structured learning and development opportunities aimed at enhancing both professional competencies and personal growth. Training needs are regularly assessed to identify and address skill gaps, ensuring that employees are equipped with the relevant knowledge and capabilities through targeted training programs.

⁹ GRI 401-1 New employee hires and employee turnover

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.2 PEOPLE cont'd

5.2.1 HUMAN CAPITAL DEVELOPMENT cont'd



TRAINING AND DEVELOPMENT cont'd

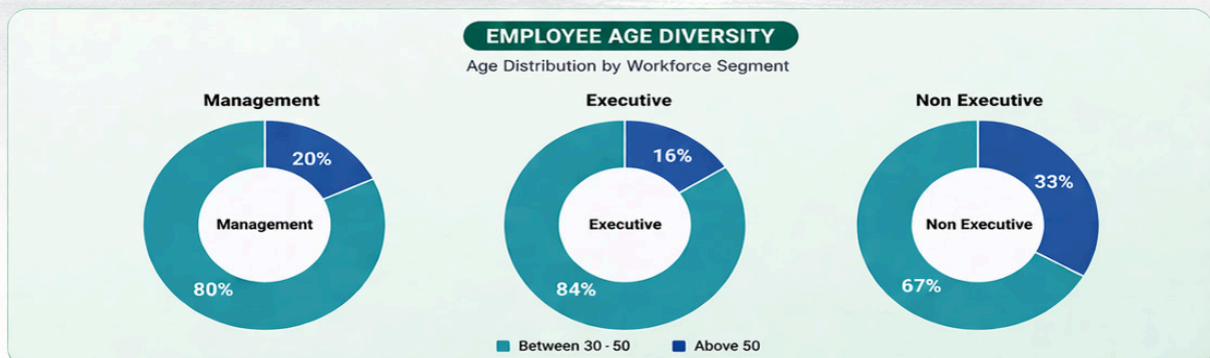
Indicator	Unit	FY2023	FY2024	FY2025
Employees training hours ¹⁰	Hours	262	579	466
	Hours per employee	7.94	16.08	13.54

In FY2025, IWCity recorded an average of 13.54 training hours per employee, compared to 16.08 hours per employee in FY2024. The decrease was primarily attributable to a more targeted and role-specific approach to training, focusing on essential competencies aligned with operational priorities.

Despite the reduction, the Group has exceeded its minimum training target of 4 hours per employee, demonstrating its continued commitment to employee development. Moving forward, the Group will continue to enhance the effectiveness and relevance of its training initiatives to support evolving business and operational needs.

DIVERSITY AND EQUAL OPPORTUNITY ¹¹

The Group is committed to fostering an inclusive workplace that promotes equal opportunity, fair treatment, and respect for diversity across all levels of the organisation, regardless of gender, age, ethnicity or background.



¹⁰ GRI 404-1: Average hours of training per year per employee

¹¹ GRI 405-1 Diversity of governance bodies and employee

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.2 PEOPLE cont'd

5.2.1 HUMAN CAPITAL DEVELOPMENT cont'd

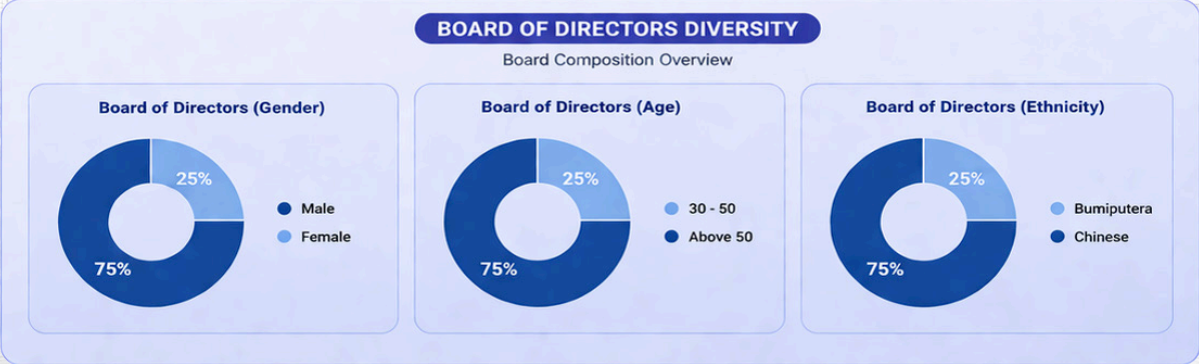


DIVERSITY AND EQUAL OPPORTUNITY ¹¹ cont'd

As at FY2025, the Group has a total of 35 employees, comprises 57% male employees and 43% female employees. Notably, female employees represented a higher proportion at Management level at 60%, underscoring the Group’s commitment to promoting gender equality and empowering women in leadership positions.

The Group also recognises the importance of age diversity in driving knowledge sharing, innovation, and sustainable talent development. A significant proportion of the workforce falls within the 30 to 50 age group, providing a strong balance of experience and capability to support the Group’s operations and growth.

Moving forward, the Group remains committed to strengthening its diversity and inclusion practices, guided by the principles of equal opportunity and mutual respect, while continuing to cultivate an inclusive environment where all employees can thrive and contribute meaningfully.



BOARD OF DIRECTOR PROFILE

IWCity advocates for equitable gender representation on the Board and strives to achieve a minimum of 30% women representation at the board level by FY2026.

In 2025, the Group has continued to strengthen its commitment to gender diversity by increasing female representation on the Board from 10% in FY2024 to 25%. This progress reflects the Group’s ongoing efforts to build a more inclusive and balanced leadership structure.

Looking ahead, the Group remains dedicated to fostering a more balanced and inclusive leadership team, and will actively pursue initiatives that further enhance gender diversity across all levels of the Group.

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.2 PEOPLE cont'd

5.2.1 HUMAN CAPITAL DEVELOPMENT cont'd



HUMAN RIGHTS

As a responsible organisation, IWCity is committed to upholding the highest standards of human rights and ensuring compliance with applicable labour laws and regulations across all its operations. The Group believes that strong human rights practices, coupled with fair and ethical treatment of employees, contribute to enhanced productivity and foster a safe, respectful and inclusive working environment.

The Group has set a target of zero complaints relating to human rights violations. In FY2025, IWCity recorded no such complaints and remains committed to maintaining this record through continuous adherence to human rights principles and labour regulations across the organisation.

Indicator	Unit	Target	FY2023	FY2024	FY2025
Complaints concerning human rights violations	Number	Zero Complaint	Zero	Zero	Zero

GRIEVANCES PROCEDURE

Our grievance policy provides a clear and structured mechanism for employees to raise workplace concerns, including instances of bullying, discrimination, harassment, and unfair treatment. Employees are encouraged to report grievances to the Human Resources department, their immediate superior or Management without fear or retaliation.

IWCity remains fully dedicated to ensuring that all grievances are addressed in a timely, transparent and fair manner, with due consideration given to confidentiality and accountability throughout the resolution process.

5.2.2 OCCUPATIONAL HEALTH & SAFETY ¹²



The health and safety of employees and contractors' workers are critical to the Group, given the risks associated with its operations, which may be further intensified by climate-related factors such as rising temperatures.

IWCity is committed for providing a conducive working environment for its employees by proactively identifying, mitigating and managing occupational health and safety ("OHS") risks across its operations.

All of the Group's operations comply with applicable safety and health laws and regulations. In support of this commitment, the Group has established procedures to facilitate the identification, assessment and control of OSH risks. This includes identifying employees and work activities that may be exposed to potential hazards, enabling the implementation of appropriate preventive and mitigation measures.

¹² GRI 403-1 Occupational health and safety management system

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.2 PEOPLE cont'd

5.2.2 OCCUPATIONAL HEALTH & SAFETY ¹² cont'd



Project Site

Our appointed contractors are responsible for Health, Safety and Environmental (“HSE”) related matters at the project site. Our project team ensures that the appointed contractors adhere to the Occupational Safety and Health Act 1994 and other relevant regulations where they:

- Conduct weekly site inspections to ensure that safety standards and protocols are adhered to by the contractors.
- Review the safety and health assessment also known as Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) submitted by the Contractors.
- Ensure that the contractor appointed a qualified HSE officer.
- Attending the HSE Committee meetings and health and safety briefings ¹³.
- Require the contractor to submit monthly safety reports.
- Ensure that safety meetings such as site toolbox meetings are conducted fortnightly.

The Group’s safety and health performance during the period under review is summarised in the table.

Indicator	Unit	Target	FY2023	FY2024	FY2025
Lost Time Incident Rate (“LTIR”)	Percentage	5%	Zero	Zero	Zero
Work-related fatalities ¹⁴	Number of cases	Zero cases	Zero	Zero	Zero

The Group remains to achieved zero LTIR and work-related fatalities in FY2025. IWCity is committed to maintaining this performance by continuously monitoring and strengthening its occupational safety and health practices across all operations.

5.2.3 COMMUNITIES^{15 16} SUPPORT AND DEVELOPMENT



The Group remains committed to supporting the development and well-being of the communities in which it operates, recognising that proactive community engagement presents opportunities to contribute to social progress, inclusive growth, and long-term shared value creation. By fostering strong relationships with local stakeholders, the Group is able to enhance trust, strengthen its social license to operate, and support more resilient and sustainable communities,

The Group believes that continuous corporate social responsibility (“CSR”) initiatives not only benefit the wider community but also reinforce its brand reputation, stakeholder confidence, and long-term business sustainability.

¹³ GRI 403-4 Worker participation, consultation, and communication on occupational health and safety

¹⁴ GRI 403-9 Work-related injuries

¹⁵ GRI 413-1 Operations with local community engagement, impact assessments, and development programs

¹⁶ GRI 201-1 Direct economic value generated and distributed

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.2 PEOPLE cont'd

5.2.3 COMMUNITIES^{15 16} SUPPORT AND DEVELOPMENT cont'd



In FY2025, IWCity adopted a more targeted, needs-based approach to community initiatives, with greater emphasis on healthcare-related support and community engagement within its development project, in light of its financial position and continued focus on maintaining business resilience. This shift was able to deliver a more meaningful and impact-driven contributions aligned with identified community needs.

As a result, the Group's community investment amounted to RM47,523.65 in FY2025 has significant lower compared to RM162,000 in FY2024 and RM460,000 in FY2023.

Nonetheless, the Group remains committed to sustainable community investment while maintaining prudent resource allocation.

Indicator	Unit	FY2023	FY2024	FY2025
Amount invested in the community	RM	460,000	162,000	47,523.65
Beneficiaries of the investment in the community	Number	2	4	3
Corporate Social Responsibility ("CSR")	Hour	32	52	20

Contribution to Persatuan Orang Cacat

In FY2025, IWCity continued to its commitment to community support by providing donations to Persatuan Orang Cacat. This initiative reflects the Group's ongoing efforts to contribute to well-being of vulnerable communities and promote social inclusivity.



SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.2 PEOPLE cont'd

5.2.3 COMMUNITIES^{15 16} SUPPORT AND DEVELOPMENT cont'd



Community engagement



The Group engaged with local communities in Danga Sutera through a Chinese New Year event and two pre-tenant possession events for Phase 3. These initiatives provided created valuable opportunities to connect with residents and customers, while enabling direct dialogue to better understand their feedback, concerns, and expectations.

Through these engagements, the Group strengthened community relationships, fostered stakeholder trust, and gathered meaningful insights to support continuous improvement of its service delivery and overall customer experience.

Danga Sutera Phase 3 pre-tenant possession event on 22 March 2025



Danga Sutera Phase 3 pre-tenant possession event on 22 October 2025



Danga Sutera Chinese New Year Event on 15 February 2025

SUSTAINABILITY STATEMENT CONT'D

5. SUSTAINABILITY INITIATIVES & PERFORMANCE cont'd

5.2 PEOPLE cont'd

5.2.3 COMMUNITIES^{15 16} SUPPORT AND DEVELOPMENT cont'd



Contribution to Persatuan Orang Cacat

The Group extended its support to the community through a donation to Pusat Dialisis Persatuan Kebajikan Amitabha Malaysia. This initiative reflects the Group's commitment to social responsibility and its continued efforts to support vulnerable communities by improving access to critical healthcare services.



5.3 PLANET

5.3.1 ENERGY AND WATER MANAGEMENT



The Group acknowledges that electricity consumption is one of the key contributions to Greenhouse Gases ("GHG") emissions, which may expose the Group to climate-related risks, including increased regulatory requirements, and rising energy costs.

ENERGY¹⁷ CONSUMPTION

In line with its ongoing commitment to sustainability and efforts to reduce energy consumption, we have implemented several energy-saving initiatives aimed at minimizing its environmental footprint and supporting global efforts to mitigate climate change.





¹⁷ GRI 302-1 Energy consumption within the organization

SUSTAINABILITY STATEMENT CONT'D

5.3 PLANET cont'd

5.3.1 ENERGY AND WATER MANAGEMENT cont'd



	
Usage of energy-efficient lighting ("LED") and equipment	Switching off electronics, lights and air conditioners when not in use
	
Maintaining air conditioner temperature at 24 degrees Celsius	Performing periodic maintenance on air conditioners and equipment

In FY2025, the total energy consumption recorded for our corporate office, sales gallery and out site offices, usage was 592 MWh. Energy consumption increased from FY2023 to FY2024, primarily due to higher electricity usage across the Group's offices, sales galleries and site offices, which are essential to support ongoing business and development activities.

The subsequent decrease in energy consumption in FY2025 was mainly attributable to the completion of Danga Sutera Phase 3, resulting in the decommissioning of the associated site office, as well as the termination of one of the site offices.

Indicator	Unit	FY2023	FY2024	FY2025
Energy Consumption ¹⁷	Megawatt (MWh)	76.12	640	592

SUSTAINABILITY STATEMENT CONT'D

5.3 PLANET cont'd

5.3.1 ENERGY AND WATER MANAGEMENT cont'd



WATER MANAGEMENT

The Group recognises that water scarcity is an emerging risk, driven by factors such as climate change, inefficient water management, and contamination, which may increase regulatory scrutiny, operational costs, and stakeholder expectations on responsible water use. While the Group's operations are not currently located in water-stressed areas, IWCity adopts practical approach to water management, aiming to improve water efficiency and promote water conservation.

In FY2024, the Group expanded the scope of its water consumption data collection to include site offices addition to corporate offices. This has resulted in an increase in reported water consumption compared to FY2023. In FY2025, the Group's recorded a total water consumption of 11.44 megaliters across its site offices and corporate offices.

The reduction of water consumption in FY2025 was mainly attributable to the completion of Danga Sutera Phase 3, resulting in the decommissioning of the associated site office, as well as the termination of one of our site offices.

Indicator	Unit	FY2023	FY2024	FY2025
Water consumption ¹⁸	Megalitres	0.473	26.24	11.44

To support responsible water management, several initiatives have been implemented to monitor consumption patterns.

- ❖ Conduct weekly site inspections to ensure contractors comply with the relevant water management guidelines
- ❖ Meetings are conducted fortnightly to review any challenges faced in complying with the requirements.
- ❖ Initiatives and direction of the Group and contractors in water management are discussed in the regular meeting.

5.3.2 WASTE MANAGEMENT



IWCity recognises the importance of effective waste management and recycling within our operations. We take a proactive approach to minimising waste generation and promoting sustainable practices across our operations.

The Group' commitment extends beyond internal efforts and we also ensure that our contractors adhere to strict waste management and recycling protocols as part of our broader environmental sustainability strategy.

SUSTAINABILITY STATEMENT CONT'D

5.3 PLANET cont'd

5.3.2 WASTE MANAGEMENT cont'd



The Group remains committed to promoting sustainable living and will continue to prioritise responsible waste management and recycling practices across all its development and operations.

LOCATION	INITIATIVES
Corporate Office and Sales Gallery	<ul style="list-style-type: none"> Promoting digital communication and electronic document submissions to minimise paper usage and printing. Installed clearly labelled recycling bins at our corporate office to encourage proper waste segregation among employees.
Project Sites	<ul style="list-style-type: none"> Provision of recycling bins in designated community areas to encourage proper waste disposal. Appointment of certified waste disposal service providers to ensure construction waste is handled responsibly. Strict prohibition of open burning at all project sites.
Group Wide Initiatives	<ul style="list-style-type: none"> Implemented a mechanism to monitor waste generation, classify waste from our corporate offices (including landfill-bound and recyclable materials), and schedule appropriate disposal or recycling measures. Prioritised the used of materials and products that contain recycled content, supporting circular economy principles and reducing reliance on virgin resources.

We have commenced the data collection efforts for waste management embarked our journey on data collection in FY2024. In FY2025, the Group has generated approximately 313.93 metric tons of waste from corporate office, sales gallery and project site operations.

The reduction of waste generated in FY2025 was mainly attributable to the completion of Danga Sutera Phase 3, resulting in the decommissioning of the associated site office, as well as the termination of one of our site offices.

Indicator	Unit	FY2023	FY2024	FY2025
Total waste generated	Metric tonnes	Not applicable	318.36	313.93
Total waste diverted from disposal	Metric tonnes	Not applicable	131.97	128.68
Total waste directed to disposal	Metric tonnes	Not applicable	186.39	185.25

SUSTAINABILITY STATEMENT CONT'D

5.3 PLANET cont'd

5.3.3 CARBON EMISSION MANAGEMENT



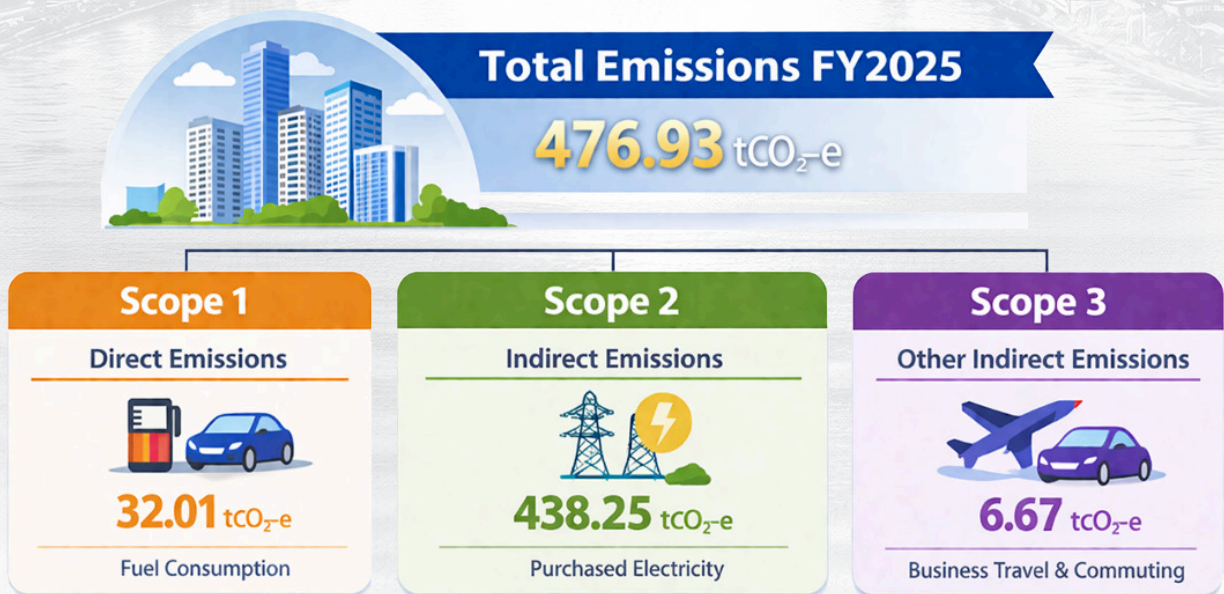
IWCity recognises the significant role that greenhouse gas (“GHG”) emissions play in contributing to climate change and acknowledges the importance of managing its carbon footprint as part of its broader sustainability agenda. The Group is committed to progressively reducing its emissions intensity while also identifying and leveraging opportunities arising from the transition towards a low-carbon economy.

In FY2025, the Group has expanded the efforts to collect and track the carbon emissions data. This includes expansions of data collection to Scope 1 (direct emissions) and selected Scope 3 emissions categories, currently covering business travel and employee commuting.

This initiative represents an important step towards strengthening the Group’s climate-related disclosures and enhancing its visibility over key emission sources. It provides a foundation for the Group to develop targeted strategies and action plans to effectively manage climate-related risks and opportunities over the short, medium and long term.

Looking ahead, the Group will continue to enhance its carbon management efforts, including setting emissions reduction targets to re-affirm its commitment to climate action and long-term sustainability. In addition, the Group will progressively improve its data collection process, including expansion of collecting Scope 3 emissions across its value chain. We aim to fully disclose all relevant Scope 3 emissions by 2028, in line with the disclosure requirements.

The following summary highlights our GHG emission performance in FY2025.



SUSTAINABILITY STATEMENT CONT'D

5.3 PLANET cont'd

5.3.3 CARBON EMISSION MANAGEMENT cont'd

Note:

- ❖ Coverage for **FY2025**:
 - **Scope 1 emissions:** Company-owned vehicles on petrol
 - **Scope 2¹⁹ emissions:** Purchased electricity from our corporate offices, sales gallery, and site offices
 - **Scope 3 emissions:** Employee business travel and commuting to office, and were calculated using a combination of distance-based method and average data approach.
- ❖ Emission factors for **FY2025**:
 - **Scope 1 and Scope 3:** UK Government's GHG Conversion Factors Year 2025.
 - **Scope 2¹⁹:** Malaysia Grid Emission Factor for Year 2024.

¹⁹GRI 305-2 Energy indirect (Scope 2) GHG Emissions

SUSTAINABILITY STATEMENT CONT'D

PERFORMANCE DATA TABLE

Indicator	Unit	FY2023	FY2024	FY2025
Anti-corruption				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	57%	100%	100%
Executive	Percentage	100%	100%	100%
Non-executive/Technical Staff	Percentage	17%	100%	100%
General Workers	Percentage	Zero	Zero	Zero
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	Zero	Zero	Zero
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	Zero	Zero	Zero
Health and Safety				
Bursa C5(a) Number of work-related fatalities	Number	Zero	Zero	Zero
Bursa C5(b) Lost Time Incident Rate ("LTIR")	Rate	Zero	Zero	Zero
Bursa C5(c) Number of employees trained on health and safety standards	Number	Zero	22	19
Total hours worked	Hours	66,238	72,076	72,251
Number of lost time injuries	Number	Zero	Zero	Zero
Data Privacy and Security				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer	Number	Zero	Zero	Zero
Climate Change				
Bursa C4(a) Total energy consumption	Megawatt	76.12	640	592.23
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ -e	Not applicable	Not applicable	32.01
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ -e	62.56	499.41	438.25
Bursa C11 (c) Scope 3 emissions in tonnes of CO ₂ e (i.e., business travel and employee commuting)	tCO ₂ -e	Not applicable	Not applicable	6.67

SUSTAINABILITY STATEMENT CONT'D

PERFORMANCE DATA TABLE cont'd

Indicator	Unit	FY2023	FY2024	FY2025
Employee Management				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	46	191	28.5
Executive	Hours	172	340	28.5
Non-executive/Technical Staff	Hours	44	48	43.0
General Workers	Hours	Zero	Zero	Zero
Average training hours per employee	Hours	7.94	16.08	13.03
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	Zero	2	2
Executive	Number	1	7	Zero
Non-executive/Technical Staff	Number	Zero	5	Zero
General Workers	Number	Zero	Zero	Zero
Total new hires	Number	3	14	3
New hire rate	Percentage	7.5%	23.5%	8.6%
Turnover rate	Percentage	3%	17%	5.7%
Diversity, Equity & Inclusion				
Bursa C3(a) Percentage of employees by gender and age group by employee category				
Gender group by employee category				
Management – Male	Percentage	29%	30%	40%
Management – Female	Percentage	71%	70%	60%
Executive – Male	Percentage	47%	52%	63%
Executive - Female	Percentage	53%	48%	37%
Non-executive/Technical Staff - Male	Percentage	67.5%	67%	67%
Non-executive/Technical Staff - Female	Percentage	33%	33%	33%
General Workers - Male	Percentage	Zero	Zero	Zero
General Workers - Female	Percentage	Zero	Zero	Zero
Age group by employee category				
Management - Under 30	Percentage	Zero	Zero	Zero
Management - Between 30-50	Percentage	71%	70%	80%
Management - Above 50	Percentage	29%	30%	20%
Executive - Under 30	Percentage	Zero	Zero	Zero

SUSTAINABILITY STATEMENT CONT'D

PERFORMANCE DATA TABLE cont'd

Indicator	Unit	FY2023	FY2024	FY2025
Diversity, Equity & Inclusion cont'd				
Bursa C3(a) Percentage of employees by gender and age group by employee category				
Gender group by employee category				
<i>Executive Between 30-50</i>	Percentage	74%	89%	84%
<i>Executive Above 50</i>	Percentage	26%	11%	16%
<i>Non-executive/Technical Staff - Under 30</i>	Percentage	Zero	Zero	Zero
<i>Non-executive/Technical Staff - Between 30-50</i>	Percentage	100%	83%	67%
<i>Non-executive/Technical Staff - Above 50</i>	Percentage	Zero	17%	33%
<i>General Workers - Under 30</i>	Percentage	Zero	Zero	Zero
<i>General Workers - Between 30-50</i>	Percentage	Zero	Zero	Zero
<i>General Workers - Above 50</i>	Percentage	Zero	Zero	Zero
Bursa C3(b) Percentage of directors by gender and age group				
<i>Male</i>	Percentage	90%	90%	75%
<i>Female</i>	Percentage	10%	10%	25%
<i>Under 30</i>	Percentage	Zero	Zero	Zero
<i>Between 30-50</i>	Percentage	20%	20%	25%
<i>Above 50</i>	Percentage	80%	80%	75%
Bursa C6(b) Percentage of employees that are contractors or temporary staff				
<i>Permanent</i>	Percentage	100%	100%	100%
<i>Temporary or Contractors</i>	Percentage	Zero	Zero	Zero
<i>Gender diversity - Male</i>	Percentage	47%	47%	57%
<i>Gender diversity - Female</i>	Percentage	53%	53%	43%
<i>Age diversity - Under 30</i>	Percentage	Zero	Zero	Zero
<i>Age diversity - Between 30-50</i>	Percentage	78%	81%	80%
<i>Age diversity - Above 50</i>	Percentage	22%	19%	20%
<i>Ethnic diversity - Bumiputera</i>	Percentage	62.5%	64%	66%
<i>Ethnic diversity - Chinese</i>	Percentage	37.5%	36%	34%
<i>Ethnic diversity - Indian</i>	Percentage	Zero	Zero	Zero
<i>Ethnic diversity - Others*</i>	Percentage	Zero*	Zero*	Zero

Notes: (*) Data in FY2024 and FY2023 was revised due to errors made for last year disclosure.

SUSTAINABILITY STATEMENT CONT'D

PERFORMANCE DATA TABLE cont'd

Indicator	Unit	FY2023	FY2024	FY2025
Human Rights				
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	Zero	Zero	Zero
Supply Chain Management				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100%	100%	100%
Waste Management				
Bursa C10(a) Total waste generated	Metric tonnes	Not applicable	318.36	313.93
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	Not applicable	131.97	128.68
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	Not applicable	186.39	185.25
Community Support and Development				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	RM460,000	RM162,000	RM47,523.65
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2	4	3
Employees participated in community impact programmes	Number	12	22	32
Total hours spent on community impact programmes	Hours	32	52	20
Water Management				
Bursa C9(a) Total volume of water used	Megalitres	0.473	26.24	11.44

SUSTAINABILITY STATEMENT CONT'D

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	2-3 Reporting period, frequency and contact point	30 – Annual Report
	2-6 Activities, value chain and other business relationships	12,32 – Annual Report
	2-7 Employees	50,51 – Annual Report
	2-9 Governance structure and composition	4,67 – Annual Report
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	2-11 Chair of the highest governance body	4,70 – Annual Report
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	2-13 Delegation of responsibility for managing impacts	70,71 - 72,78,79 – Annual Report
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	38– Annual Report
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GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	54– Annual Report
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	46 – Annual Report

SUSTAINABILITY STATEMENT CONT'D

GRI INDEX cont'd

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	205-2 Communication and training about anti-corruption policies and procedures	47– Annual Report
	205-3 Confirmed incidents of corruption and actions taken	47– Annual Report
GRI 302: Energy 2016	302-1 Energy consumption within the organization	57– Annual Report
	302-4 Reduction of energy consumption	57 – Annual Report
GRI 303: Water and Effluents 2018	303-5 Water consumption	58– Annual Report
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	60– Annual Report
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	49– Annual Report
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	52 - 53– Annual Report
	403-4 Worker participation, consultation, and communication on occupational health and safety	53 – Annual Report
	403-5 Worker training on occupational health and safety	53 – Annual Report
	403-9 Work-related injuries	53– Annual Report
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	50 – Annual Report
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	50 - 51 – Annual Report
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	54– Annual Report
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	48– Annual Report

SUSTAINABILITY STATEMENT CONT'D

PRESCRIBED TABLE

Iskandar Waterfront City Berhad
BMLR Transition Period

Date & Time: 2026-04-30_21:30:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti Corruption	Percentage of employees who have received training on anti-corruption by employee category -Management	Percentage	100	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Anti Corruption	Percentage of employees who have received training on anti-corruption by employee category -Executive	Percentage	100	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Anti Corruption	Percentage of employees who have received training on anti-corruption by employee category - Non-executive/Technical Staff	Percentage	100	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Anti Corruption	Percentage of employees who have received training on anti-corruption by employee category - General Worker	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Anti Corruption	Percentage of operations assessed for corruption-related risks	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Anti Corruption	Confirmed incidents of corruption and action taken	Number	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Health and Safety	Number of work-related fatalities	Number	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Health and Safety	Lost Time Incident Rate	Rate	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Health and Safety	Number of Employees trained on Health and Safety	Number	19	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Health and Safety	Total hours worked	Hours	72,251	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance

SUSTAINABILITY STATEMENT CONT'D

PRESCRIBED TABLE

Iskandar Waterfront City Berhad BMLR Transition Period

Date & Time: 2026-04-30_21:30:26
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Health and Safety	Number of lost time injuries	Number	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy or losses of customer	Number	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Climate Change	Total Energy consumption	Megawatt	592.23	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Climate Change	Scope 1 emissions in tonnes of CO2e	TCO2-e	32.01	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Climate Change	Scope 2 emissions in tonnes of CO2e	TCO2-e	438.25	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Climate Change	Scope 3 emissions in tonnes of CO2e	TCO2-e	6.67	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	Total hours of training by employee category - Management	Hours	28.5	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	Total hours of training by employee category - Executive	Hours	28.5	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	Total hours of training by employee category - Non-executive/Technical Staff	Hours	43	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	Total hours of training by employee category - General Workers	Hours	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	Average training hours per employee	Hours	13.03	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance

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SUSTAINABILITY STATEMENT CONT'D

PRESCRIBED TABLE

Iskandar Waterfront City Berhad
BMLR Transition Period

Date & Time: 2026-04-30_21:30:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Employee Management	Total number of employee turnover by employee category - Management	Numbers	2	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	Total number of employee turnover by employee category - Executive	Numbers	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	Total number of employee turnover by employee category - Non-executive/Technical Staff	Numbers	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	Total number of employee turnover by employee category - general workers	Numbers	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	Total new hires	Numbers	3	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	New hire rate	Percentage	8.6	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Employee Management	Turnover rate	Percentage	5.7	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Gender group by employee category - Management - Male	Percentage	40	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Gender group by employee category - Management - Female	Percentage	60	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Gender group by employee category - Executive - Male	Percentage	63	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Gender group by employee category - Executive - Female	Percentage	37	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance

SUSTAINABILITY STATEMENT CONT'D

PRESCRIBED TABLE

Iskandar Waterfront City Berhad
 BMLR Transition Period

Date & Time: 2026-04-30_21:30:26
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity & Inclusion	Gender group by employee category - Non-executive/Technical - Male	Percentage	67	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Gender group by employee category - Non-executive/Technical - Female	Percentage	33	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Gender group by employee category - General workers - Male	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Gender group by employee category - General workers - Female	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - Management - Under 30	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - Management - between 30-50	Percentage	80	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - Management - Above 50	Percentage	20	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - Executive - Under 30	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - Executive - between 30-50	Percentage	84	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - Executive - above 50	Percentage	16	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance

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SUSTAINABILITY STATEMENT CONT'D

PRESCRIBED TABLE

Iskandar Waterfront City Berhad
BMLR Transition Period

Date & Time: 2026-04-30_21:30:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity & Inclusion	Age group by employee category - Non-executive/Technical Staff -Under 30	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - Non-executive/Technical Staff -between 30 - 50	Percentage	67	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - Non-executive/Technical Staff -above 50	Percentage	33	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - General Workers -Under 30	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - General Workers -Between 30 - 50	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Age group by employee category - General Workers -Above 50	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of directors by gender and age group - Male	Percentage	75	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of directors by gender and age group - Female	Percentage	25	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of directors by gender and age group - Under 30	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of directors by gender and age group - between 30 -50	Percentage	25	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of directors by gender and age group - Above 50	Percentage	75	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance

SUSTAINABILITY STATEMENT CONT'D

PRESCRIBED TABLE

Iskandar Waterfront City Berhad BMLR Transition Period

Date & Time: 2026-04-30_21:30:26
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Permanent	Percentage	100	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Temporary or Contractors	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Gender diversity - Male	Percentage	57	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Gender diversity - Female	Percentage	43	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Age diversity - Under 30	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Age diversity - Between 30 - 50	Percentage	80	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Age diversity - Above 50	Percentage	20	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Ethnic diversity - Bumiputera	Percentage	66	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Ethnic diversity - Chinese	Percentage	34	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Ethnic diversity - Indian	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Diversity, Equity & Inclusion	Percentage of employees that are - contractors or temporary staff - Ethnic diversity - Others	Percentage	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance

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SUSTAINABILITY STATEMENT CONT'D

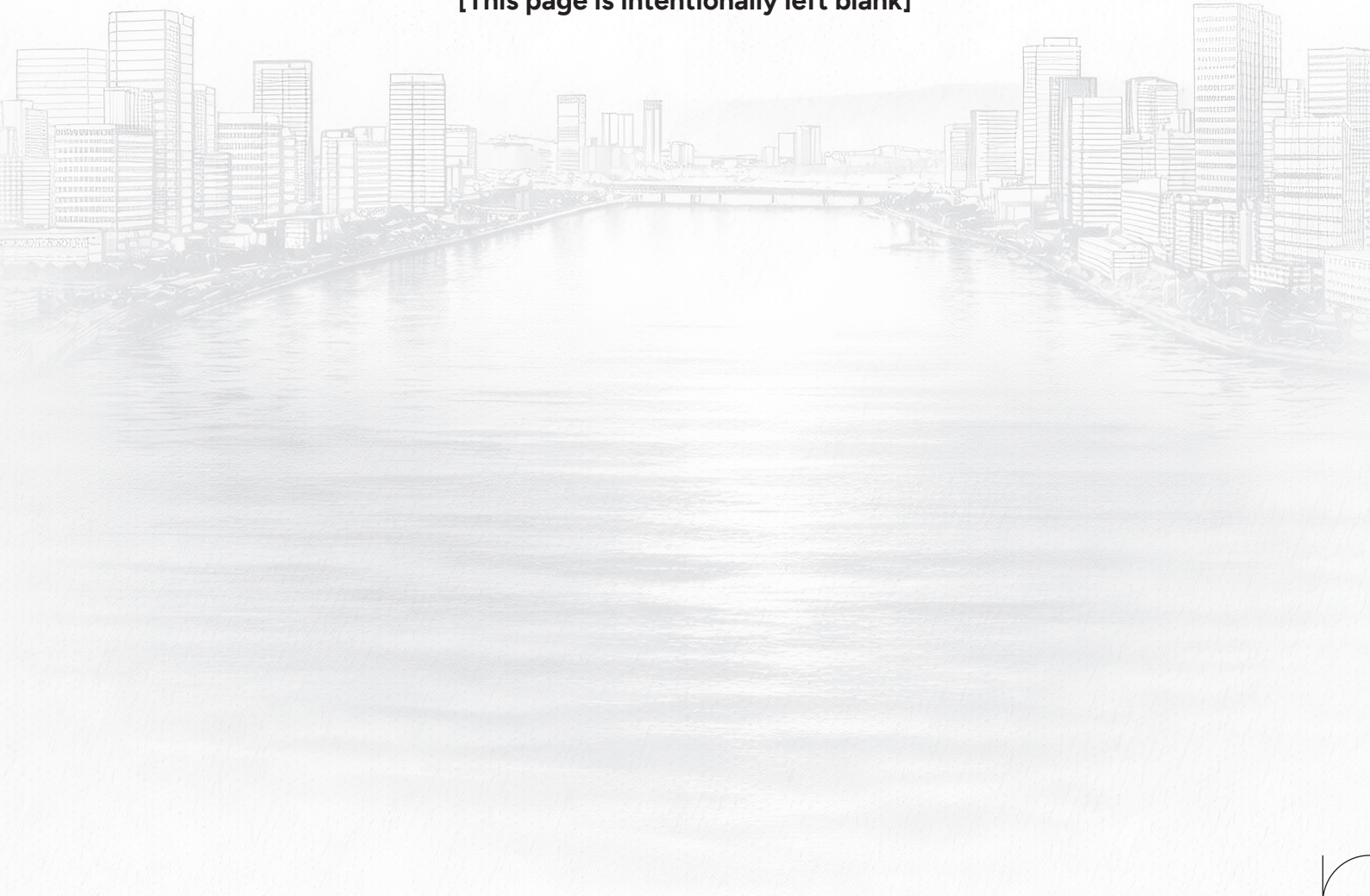
PRESCRIBED TABLE

Iskandar Waterfront City Berhad
BMLR Transition Period

Date & Time: 2026-04-30_21:30:26
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Human Rights	Number of substantiated complaints concerning human rights violations	Number	0	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Supply Chain Management	Proportion of spending on local suppliers	Percentage	100	90	No assurance
Waste Management	Total waste generated	Metric tonnes	313.93	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Waste Management	Total waste diverted from disposal	Metric tonnes	128.68	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Waste Management	Total waste directed from disposal	Metric tonnes	185.25	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Community Support and Development	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	RM47,523.65	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Community Support and Development	Total number of beneficiaries of the investment in communities	Number	3	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Community Support and Development	Employees participated in community impact programmes	Number	32	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Community Support and Development	Total hours spent on community impact programmes	Hours	20	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance
Water Management	Total volume of water used	Megalitres	11.44	Please refer to the Sustainability Statement in Annual Report 2025 for our target	No assurance

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CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Iskandar Waterfront City Berhad (“the Company”) acknowledges the importance of sound corporate governance in promoting sustainable growth and protecting the interests of stakeholders. The Board remains committed to upholding high standards of governance across the Company and its subsidiaries (collectively referred to as “the Group”) to enhance long-term shareholder value.

In accordance with Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), this Corporate Governance Overview Statement (“Statement”) provides an overview of the Company’s application of the Principles and its compliance with the Practices of the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”), as well as the extent of its observance of the related Guidance for the financial year ended 31 December 2025 (“FYE2025”).

This Statement should be read together with the Corporate Governance Report 2025 (“CGR”), which is available on the Company’s website at www.iwcity.com.my. Any departures from the Principles or Practices of the MCCG 2021 during the financial year, including the reasons for such departures and the alternative measures adopted by the Company, are disclosed in the CGR.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

The Board recognises its pivotal role in setting the strategic direction of the Company and in ensuring the long-term sustainability and success of the Group. In discharging its fiduciary and leadership responsibilities, the Board has assumed, amongst others, the following principal functions:

- To review, deliberate, adopt and approve the Group’s strategic plans, key policies and overall business direction;
- To oversee and monitor the conduct of the Group’s business operations, financial performance and significant capital commitments to ensure alignment with approved strategies;
- To review and approve the Group’s annual budgets and financial results, and to monitor compliance with applicable accounting standards, including ensuring the integrity, adequacy and transparency of financial reporting and disclosures;
- To review and approve major corporate proposals, including new business ventures, strategic investments and joint venture arrangements undertaken by the Group;
- To ensure that appropriate measures and internal processes are in place to safeguard the Group’s assets and to optimise their utilisation and value;
- To review, evaluate and approve material acquisitions, disposals of undertakings and assets, as well as other significant transactions within the Group;
- To identify principal risks of the Group and ensure the implementation of appropriate risk management frameworks and internal controls to effectively manage such risks;
- To establish and oversee succession planning for the Board and senior management, including the review of remuneration and compensation policies;
- To establish, review and implement effective corporate communication policies with shareholders, investors, key stakeholders and the public;
- To review and assess the adequacy, effectiveness and integrity of the Group’s internal control systems and management information systems; and
- To establish and maintain a corporate code of conduct to address, amongst others, potential conflicts of interest involving Directors, major shareholders and management, and to promote ethical business conduct across the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”) and Risk Management and Sustainability Committee (“RMSC”). These committees are tasked with examining specific issues within their respective terms of reference as approved by the Board and reporting their recommendations to the Board. However, the ultimate responsibility for decision making lies with the Board. In addition to the Board Committees, the Technical Assessment Committee (“TAC”), led by two Executive Directors and supported by Management as well as an Independent Director, plays an important role in ensuring proper checks and balances in the procurement and award processes. The Committee evaluates technical proposals, reviews recommendations and provides independent oversight to promote transparency, fairness and accountability in procurement decisions.

Board Charter

The Board acknowledges the vital importance of clearly defining the duties and responsibilities of the Board, Board Committees and Management, alongside establishing clear authority limits. This clarity provides guidance to Directors and Management. To achieve this, the Board has adopted a comprehensive Board Charter, which outlines, amongst others, the roles of the Board, Board Committees, Executive and Non-Executive Directors and Management. The Charter serves as a reference point for Board activities, enabling Directors to fulfil their stewardship role and discharge their fiduciary duties towards the Company. The Board is committed to update the Charter as and when necessary to reflect changes in the Company's policies, procedures, and to ensure compliance with the latest regulations and legislation.

The full Charter is available on the Company's website.

The number of meetings of the Board and Board Committees held during the year were:

Types of Meetings	Number of Meetings
Board of Directors	7
Audit Committee	5
Nomination Committee	1
Remuneration Committee	2
Risk Management and Sustainability Committee	4

In FYE2025, the roles of the Independent Non-Executive Chairman of the Board and the Executive Vice Chairman (“EVC”) were separate, each with a defined scope of duties and responsibilities. The distinct and separate roles of the Chairman and the EVC, with a clear division of functions and responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision making. This strategy engagement dictates the long-term success of the Group. The Chairman plays a crucial and pivotal role in ensuring the leadership, effectiveness, conduct and governance of the Board, whilst the EVC has overall responsibility for the operational and business units, organisational effectiveness, implementation of Board policies, directives, strategies and decisions. The Board has entrusted the EVC with the day-to-day management of the Group, supported by the Executive Director and/or Deputy Chief Executive Officer (“DCEO”) and/or Chief Operating Officer (“COO”) (“Executive Management”) and a team of experienced Key Senior Management. The EVC is responsible for the executive function of the Group's business and leading Management in implementing decisions and pursuing corporate objectives as approved by the Board. While the EVC may however delegate some of the day-to-day management to the Executive Management while Non-Executive Directors do not participate in the Company's day-to-day management. Instead, they contribute their expertise and experience to the development and monitoring of its corporate strategy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Code of Ethics, Conduct and Whistle-blowing Policy and Anti-Bribery and Anti-Corruption Policy

The Board recognises the paramount importance of establishing a Code of Ethics and Conduct, setting out the standards of conduct expected from both Directors and employees, fostering a culture of good corporate behaviour. The Board has formalised such a Code, ensuring its availability on the Company's website for transparency and accessibility. Meanwhile, the Board Charter sets out provision outlining the disclosure requirements and conflict of interest protocols to be observed by Directors and further reinforcing the commitment to ethical conduct at all levels of the Company. Additionally, the Company's Terms and Conditions of Service for employees also include provisions regarding conduct, emphasizing the obligation to abstain from accepting any forms of gifts or inducement from interested or potentially interested parties. These measures collectively contribute to upholding integrity and ethical standards within the Company.

The Board has established and adopted a Whistle-Blowing Policy and Guidelines, which outlines when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of regulatory requirements involving employee, Management or Director in the Group.

The Board has in accordance with the requirements of Bursa Malaysia adopted the Anti-Bribery and Anti-Corruption Policy. This policy serves to prevent corrupt practices and provide a measure of assurance and a defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Code of Ethics and Conduct, Whistle Blowing policy and Anti-Bribery and Anti-Corruption Policy are all accessible on the Company's website, ensuring transparency and accessibility to all stakeholders. These policies collectively underscore the Company's commitment to upholding ethical standards and regulatory compliance.

Sustainability of Business

The Board is mindful of the importance of business sustainability and in conducting the Group's business, the impact on the Environmental, Social and Governance ("ESG") aspects is considered in the Group's corporate strategies.

The sustainability initiatives and activities undertaken by the Group for the financial year ended 31 December 2025 are disclosed in the "Sustainability Statement" , provided in this Annual Report.

Supply of and Access to Information

The Board is provided with relevant and comprehensive information and reports covering financial, operational, corporate, regulatory, business development and audit matters, either through Board papers or upon specific request. This ensures that decisions are made on an informed basis and facilitates the effective discharge of the Board's responsibilities. Any Director may, at any time, request additional information to support decision-making.

Meeting agendas, together with the relevant Board and Board Committees papers, are circulated to all Directors in a timely manner prior to each meeting. This allows sufficient time for review, promotes meaningful deliberation, and facilitates the effective implementation of Board decisions, as well as the proper consideration of matters arising from previous meetings. Board members are furnished with relevant explanations and recommendations by Management, and these matters are thoroughly deliberated and discussed before any decision is made.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Supply of and Access to Information cont'd

In addition, the Board is regularly updated on the Group's activities and operational performance. All Directors have timely access to complete and quality information of the Company in an appropriate manner to enable them to effectively discharge their duties and responsibilities.

Senior Management of the Group and external advisers / consultants are invited to attend Board meetings to provide additional insights and professional views, advices and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, to fulfil their duties. In FYE 2025, the Directors did not encounter any situations requiring such advice. This procedure is formalised in the Company's Board Charter.

Directors have unrestricted access to the advice and services of the Company Secretaries, enabling them to effectively discharge their duties. The Board is regularly updated and advised by the Company Secretaries, who are qualified, experienced and competent on statutory and regulatory requirements. They provide insights on the implications of any changes in regulatory requirements for the Company and Directors' duties and responsibilities. The Company Secretaries oversee adherence to Board policies and procedures, and brief the Board on the proposed contents and timing of material announcements to regulators. The Company Secretaries attend all Board and Board Committee meetings, ensuring meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. The removal of the Company Secretaries, if any, is a matter for the Board, as a whole, to decide.

Composition of The Board

The Board currently comprises seven (7) members, including two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors, and three (3) Independent Non-Executive Directors. This composition fulfils the requirements as set out under MMLR of Bursa Malaysia, which stipulates that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out in this Annual Report. The Board comprises individuals with diverse knowledge, skills and experience. Their professional backgrounds cover a broad spectrum of disciplines, including public administration, property development, construction, quantity surveying, building and civil engineering, information systems, accounting, audit and legal matters, which collectively support effective governance and decision-making.

Nomination Committee

The Nomination Committee ("NC"), established by the Board with specific terms of reference which is available on the Company's website, comprises the following Directors as its members:

- Ms. Soon Chooi Mee[^] (Chairperson)
- Ms. Kang Hui Ling
- Mr. Chin Wai Kit
- Mr. Lim Foo Seng^{*}

**resigned on 10 October 2025*

[^]appointed on 10 October 2025

During the financial year 2025, upon the resignation of Mr. Lim Foo Seng, Ms Soon Chooi Mee was appointed as Chairperson of the NC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Nomination Committee cont'd

The NC is primarily responsible for recommending suitable appointments, to the Board, taking into consideration on the Board structure, size, composition and the required mix of expertise and experience which the Director should bring to the Board. It is also tasked to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director.

During the financial year under review, the NC met once which was attended by all members and carried out an assessment of the Board, Board Committees and individual Directors in relation to their performance and contribution towards meeting the needs of the Company. The evaluation took into consideration the competency, experience, character, integrity and time availability, including the mix of skills, of the Directors concerned. In addition, NC had received the satisfaction report from the Non-Independent Directors in respect of the independence of the Independent Directors. As compliance to the MCCG 2021, the NC has performed a review of the composition of the Board and the Board Committees and concluded that the Board size and Board Committees were reasonable and balanced, with a good combination of talents, skills, experiences and competencies required by the Group and its core business activities.

The NC also recommended to the Board on those Directors who are retiring at the forthcoming Annual General Meeting (“AGM”) for re-election. Such recommendation is based on the assessment made pursuant to the Fit and Proper Policy and the Constitution. In addition, NC informed the Board that according to Bursa Malaysia’s MMLR, an Independent Director (“ID”) should not serve in the capacity of more than twelve years. In the event an Independent Non-Executive Director who has served the Board for more than a cumulative term of 9-year, is subject to re-designation as Non-independent Director (“9-year rule”). However, the NC would then deliberate and recommend for the continuation in office of the Independent Non-Executive Director who has been in office, exceeded the 9-year tenure after assessing his expertise and his significant contribution to the effectiveness of the Board and the Board Committees as a whole, proposed for the said Director be retained as an Independent Non-Executive Director subject to the approval to be obtained at the forthcoming AGM.

The Board has adopted a Fit and Proper Policy in compliance with Paragraph 15.01A of Bursa Malaysia’s MMLR. The Policy serves as a guide to the Board of Directors and the NC in the review and assessment of candidates for appointment to the Board, as well as Directors seeking election or re-election.

Based on the criteria set out in the Policy, the NC evaluates and assesses the suitability of candidates prior to recommending their appointment as Directors. The final decision on the appointment of a Director, in respect of candidates recommended by the NC, rests with the Board. The Company Secretaries ensure that all appointments are properly effected in accordance with the relevant requirements, upon obtaining the necessary information and declarations from the proposed Directors.

Furthermore, the Board has formalised a Board Diversity Policy to ensure that the Board comprises Directors with an appropriate mix of skills, experience and perspectives to support the achievement of the Company’s objectives. While recognising the importance of diversity, the Board has not set specific targets for gender, age or ethnic representation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Nomination Committee cont'd

The Board is of the view that the appointment of Directors should be based on merit and objective criteria, without discrimination based on gender, age or ethnicity. The evaluation of candidates is therefore conducted with due consideration to competency, character, integrity, experience, and time commitment, as well as the ability to contribute effectively to the Board. Where appropriate, the suitability of candidates to serve as Independent Non-Executive Directors is also taken into account to ensure the Board's composition remains balanced and effective.

Remuneration Committee

The Remuneration Committee ("RC"), established by the Board with specific terms of reference, comprises the following Independent Non-Executive Directors:

- Ms. Kang Hui Ling (Chairperson)
- Mr. Chin Wai Kit
- Mr. Lim Foo Seng*
- Ms. Soon Chooi Mee^

**resigned on 10 October 2025*

^appointed on 10 October 2025

The RC assists the Board in reviewing and recommending the remuneration framework for Directors and Senior Management. The RC meets as and when required to consider and review the remuneration packages of the Directors and Senior Management to ensure they remain competitive and aligned with the Group's performance and objectives.

The Board has established its remuneration policy and defined in the Board Charter, whereby Executive Directors are remunerated based on the Group's performance, taking into account individual responsibilities and contributions. The remuneration of Non-Executive Directors is determined in accordance with their roles, level of responsibilities and contributions to the Board and its Committees.

During FYE2025, all Board members received the same amount of Directors' fees, except for the Chairman and the Chairman of the Audit Committee, in recognition of their additional responsibilities.

In all instances, the deliberations of the Directors' remuneration are conducted with the Directors concerned abstaining from discussions on their individual remuneration. During the year, the Committee met twice which were attended by all members.

In compliance with the MMLR, the remuneration paid to the Directors, in aggregation as follows:

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Director's Remuneration

FOR FYE 2025	Fees and allowances	Salaries and other emoluments	Estimated value of benefits in kind	TOTAL
	RM '000	RM '000	RM '000	RM '000
Company				
Executive directors				
Tan Sri Dato' Lim Kang Hoo	42.8	-	-	42.8
Lim Chen Heng	44.3	471.8	32.2	548.3
Non-executive directors				
Dato' Ayub bin Mion	80.8	-	5.0	85.8
Datuk Lim Keng Guan	43.8	-	-	43.8
Khairudin bin Hasan	43.3	-	-	43.3
Lim Foo Seng*	49.0	-	-	49.0
Kang Hui Ling	51.3	-	-	51.3
Chin Wai Kit	54.0	-	-	54.0
Soon Chooi Mee^	11.7	-	-	11.7
SUB-TOTAL	421.0	471.8	37.2	930.0
Subsidiaries				
Khoo Boon Ho	40.8	-	-	40.8
Dato' Hj. Md Zahari bin Md. Zin	40.8	-	-	40.8
TOTAL	502.6	471.8	37.2	1011.6

*resigned on 10 October 2025

^appointed on 10 October 2025

Key Senior Management's Remuneration

In addition, details of the remuneration for Key Senior Management, including salaries, bonus, benefits in-kind and other emoluments, within each successive band of RM50,000 during the FYE2025, are disclosed as follows. This includes 2 Executive Directors whose remuneration is reported under the category of individual directors who also serves as Key Senior Management. The bands of the said personnel are as follows:

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Key Senior Management's Remuneration cont'd

Remuneration band (RM)	Group
Key Senior Management	
Up to 50,000	1
200,001 to 250,000	3
300,001 to 350,000	1
500,001 to 550,000	1
Total	6

Technical Assessment Committee

The Technical Assessment Committee ("TAC"), established by the Board, is chaired by two (2) Executive Directors and comprises one (1) Director from a subsidiary who is considered independent, together with members of the Management team. The TAC supports the Board in overseeing procurement and tender evaluation matters.

In the absence of any Director, a nominee may be appointed to attend the TAC meetings. Several members of Senior Management also serve on the TAC to assist in the evaluation and deliberation of relevant tenders. The TAC meets regularly to review and approve tenders for expenditures exceeding RM25,000. During the financial year, the Independent Director from the subsidiary consistently attended the TAC meetings.

The TAC is responsible for inviting and evaluating tenders for the supply of goods, services or works required for procurement and contract administration activities. It deliberates on the submissions received and makes decisions or recommendations on the acceptance or rejection of tenders.

The TAC ensures that procurement activities are conducted with the objective of achieving quality goods, services and construction works that meet the Group's requirements. It also promotes accountability and transparency in all matters relating to tendering, procurement and contracting. In addition, the TAC ensures that the selection of contractors and service providers is carried out based on transparent, fair and cost-effective criteria.

Reinforce Independence of the Board

The Independent Non-Executive Directors provide objective and independent views, advice and judgement in the best interests of the Company, as well as its shareholders and stakeholders. They play a crucial role in enhancing the Board's deliberations and decision-making process by bringing impartiality, balanced perspectives and constructive challenge to management proposals, while safeguarding the interests of minority shareholders.

The Board recognises the importance of establishing appropriate criteria to assess the independence of its Independent Non-Executive Directors. The definition of independence adopted by the Company is in accordance with the MMLR of Bursa Malaysia. The ID are also required to submit annual declarations confirming their independence to the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Reinforce Independence of the Board cont'd

In line with the MCCG 2021, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine-year period, the ID may continue to serve on the Board as a Non-Independent Non-Executive Director. Should the Board intend to retain an Independent Non-Executive Director who has served for more than nine (9) years, the Board will provide the necessary justification and seek shareholders' approval through a two-tier voting process at the AGM.

Notwithstanding the above, the Board is of the view that independence should not be determined solely based on tenure. The Board believes that independence is derived from integrity, sound judgement and objectivity, as well as a Director's commitment to act in the best interests of the Company.

Foster Commitment of Directors

The Board ordinarily meets at least four (4) times annually, with meeting dates scheduled in advance prior to the commencement of each financial year to facilitate Directors' planning. Additional meetings are convened as and when necessary to deliberate on urgent or significant matters requiring the Board's attention.

Board and Board Committee papers are prepared by Management and contain relevant information, analysis and recommendations to assist Directors in their deliberations. The meeting agenda, together with the relevant reports and papers, are circulated to Directors and Board Committee members in advance of the meetings to allow sufficient time for review, thereby promoting effective discussion and informed decision-making.

At the quarterly Board meetings, the Board reviews the Group's financial and operational performance and deliberates on key strategic, operational and financial matters. The Chairman of the Audit Committee also briefs the Board on significant issues deliberated at the Audit Committee meetings and highlights matters that require the Board's consideration or direction.

All deliberations, decisions and conclusions of the Board are properly documented in the minutes of meetings by the Company Secretaries. The minutes are subsequently circulated to the Board in a timely manner for review and confirmation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Board Meetings

There were seven (7) Board meetings held during the financial year ended 31 December 2025, with details of Directors' attendance set out below:

Name of Director	Attendance
Dato' Hj. Ayub bin Mion	7/7
Tan Sri Dato' Lim Kang Hoo	4/7
Mr. Lim Chen Heng	7/7
Datuk Lim Keng Guan	6/7
Mr. Khairudin bin Hasan	5/7
Mr. Lim Foo Seng*	5/5*
Ms. Kang Hui Ling	7/7
Mr. Chin Wai Kit	7/7
Ms. Soon Chooi Mee^	2/2^

*resigned on 10 October 2025

^appointed on 10 October 2025

It is the practice of the Company for Directors to devote sufficient time and efforts to carry out their responsibilities. All the Directors have met the stipulations of the MMLR on attendance at Board meeting.

Directors' Training – Continuing Education Programmes

The Board recognises the importance of continuous professional development to ensure that its members remain well-informed of evolving regulatory requirements and emerging developments that may impact the Group's operations and governance practices.

During the financial year, all Directors, except for Ms Soon Chooi Mee, who joined the Board on 10 October 2025, participated in an in-house training programme organised by JTS Trainings Sdn Bhd titled "Corporate Liability Provision (Section 17A MACC Act): Anti-Bribery & Anti-Corruption."

The training provided valuable insights to enhance the Directors' understanding of the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act, as well as its potential implications for the Group.

In addition, the Directors also attended several trainings/seminars as follows:-

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS cont'd

Directors' Training – Continuing Education Programmes cont'd

<u>Names of Director</u>	<u>Training attended</u>
(a) Dato' Ayub bin Mion	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
(b) Tan Sri' Dato Lim Kang Hoo	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Elevating Your Company's Bursa ESG Rating
(c) Lim Chen Heng	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • (MC) Moderating Anti Bribery and Corruption Risks, and Corporate Liability Offence under Section 17A of MACC Act 2009 (Amendment 2018) • Elevating Your Company's Bursa ESG Rating
(d) Datuk Lim Keng Guan	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
(e) Khairudin bin Hasan	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
(f) Lim Foo Seng*	<ul style="list-style-type: none"> • (MC) Moderating Anti Bribery and Corruption Risks, and Corporate Liability Offence under Section 17A of MACC Act 2009 (Amendment 2018) • Elevating Your Company's Bursa ESG Rating
(g) Chin Wai Kit	<ul style="list-style-type: none"> • Malaysian Tax Conference 2025 • Audit Oversight Board's Conversation with Audit Committees • Elevating Your Company's Bursa ESG Rating • Seminar Percukaian Kebangsaan 2025 • National Tax Conference 2025 • Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership Programme • 2026 Budget Seminar • MIA Sustainability Showcase 2025
(h) Kang Hui Ling	<ul style="list-style-type: none"> • Elevating Your Company's Bursa ESG Rating • Service Tax in Malaysia: Key Concepts, Compliance and Updates

*resigned on 10 October 2025

The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The Board is committed to providing a balanced, clear and meaningful assessment of the Group's financial performance and future prospects at the end of each reporting period and financial year. This is primarily achieved through the quarterly announcements of the Group's results to Bursa Malaysia, the issuance of the annual financial statements of the Group and the Company, as well as the message to shareholders in the Annual Report.

Audit Committee

To assist the Board in discharging its financial reporting responsibilities, the Board has established an Audit Committee ("AC"), comprising exclusively Independent Non-Executive Directors, as follows:

- Mr. Chin Wai Kit (Chairperson)
- Ms. Kang Hui Ling
- Mr. Lim Foo Seng*
- Ms. Soon Chooi Mee^

**resigned on 10 October 2025*

^appointed on 10 October 2025

During the financial year 2025, upon the resignation of Mr Lim Foo Seng, Mr Chin Wai Kit was appointed as the Chairperson of the AC.

The detailed composition of the AC, together with its roles and responsibilities, are set out in the AC Report in this Annual Report. In accordance with its terms of reference, one of the AC's principal responsibilities is to review and ensure that the financial statements of the Group and the Company comply with the applicable financial reporting standards in Malaysia. This includes the quarterly financial reports announced to Bursa Malaysia as well as the annual statutory financial statements.

The AC has also established and adopted a policy governing the provision of non-audit services by the external auditors to safeguard their independence and objectivity.

In evaluating the independence of the external auditors, the AC obtains written confirmation from the external auditors affirming that they are, and have remained, independent throughout the audit engagement with the Company, in accordance with the independence requirements of the International Federation of Accountants and the Malaysian Institute of Accountants. The AC also conducts an annual assessment of the performance of the external auditors.

Risk Management and Sustainability Committee

The Board has established a comprehensive risk management framework to identify, evaluate, control, report, and monitor the significant risks faced by the Group. Management provides periodic reports on risk matters, including mitigating measures, to the Risk Management and Sustainability Committee ("RMSC"). Beyond its risk management responsibilities, the RMSC is also entrusted by the Board with overseeing the Group's sustainability framework. The Committee advises and makes recommendations to the Board on sustainability-related business strategies, covering areas including, but not limited to, environmental, social, and governance (ESG) matters. This dual role demonstrates the Group's integrated approach to governance, recognising the close interrelationship between effective risk management and sustainable business practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT cont'd

Risk Management and Sustainability Committee cont'd

The RMSC, established by the Board under defined terms of reference, comprises the following Directors:

- Mr. Chin Wai Kit (Chairperson)
- Ms. Kang Hui Ling
- Mr. Lim Foo Seng*
- Ms. Soon Chooi Mee^

*resigned on 10 October 2025

^appointed on 10 October 2025

The Group's risk management framework aims, among other objectives, to formalize the Board's risk appetite, establish key risk indicators and parameters, implement risk treatment plans, and ensure that the RMSC, supported by Management, follows up on risk matters. This includes addressing action plans arising from observations and recommendations made by the internal and external auditors.

The internal audit function of the Group is outsourced to an independent professional services firm, who undertakes regular reviews of the adequacy and effectiveness of the Group's governance, risk management and internal control system. The internal audit function reports directly to the AC. Further details on the internal audit function can be seen in the AC Report and the Statement on Risk Management and Internal Control included in this Annual Report.

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

The Board recognises the importance of establishing robust corporate disclosure policies and procedures to ensure that information relating to the Company and its subsidiaries is disclosed comprehensively, accurately, and in a timely manner to regulators, shareholders, and other stakeholders. In line with this, the Board has formalised policies and procedures not only to comply with the disclosure requirements under the MMLR of Bursa Malaysia, but also to designate the individuals responsible for approving and disseminating material information. To further enhance transparency, the Company has allocated a dedicated section on its website for corporate governance, where stakeholders can access information such as regulatory announcements, shareholders' rights, and the Company's Annual Report.

Shareholder Participation at General Meeting

The Annual General Meeting and/or Extraordinary General Meeting serve as the principal forums for dialogue with shareholders, providing them with the opportunity to evaluate the Group's performance through the Company's Annual Report and to raise questions to the Board for clarification on any matters of interest. These meetings also enable shareholders to gain a better understanding of the Group's business operations, performance and strategic direction. Shareholders are encouraged to actively participate in discussions on the proposed resolutions as well as the Group's operations in general.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

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

Shareholder Participation at General Meeting cont'd

The Company's AGM held in 2025 was conducted in a physical format after four (4) years of fully virtual meetings via live streaming through the Remote Participation and Voting Facilities platform. The change in meeting format was in line with the announcement by the Securities Commission Malaysia on 30 August 2024 requiring all public listed companies ("PLCs") on Bursa Malaysia to hold hybrid or physical general meetings with effect from 1 March 2025. This requirement aims to preserve the sanctity of shareholders' rights and ensure inclusivity, particularly for those who may face technological barriers. While virtual participation enhances accessibility, PLCs are encouraged to adopt a hybrid model or, at minimum, conduct meetings physically to facilitate meaningful shareholder engagement, safeguard shareholders' rights and uphold the integrity of the general meeting process.

At the AGM, shareholders participate in deliberating the resolutions proposed as well as matters relating to the Group's operations in general. During the last AGM, a question-and-answer session was conducted, where the Chairman invited shareholders to raise questions, with responses provided by the Board. No key matters were raised or discussed at the meeting.

Notices of each AGM are issued in a timely manner to all shareholders to allow sufficient time for them to review the Annual Report and the supporting documents for the proposed resolutions. Shareholders are invited to raise questions on the resolutions prior to voting, as well as on the Group's operations in general. All resolutions tabled at the previous AGM held on 25 June 2025 were voted by way of poll.

The Company will continue to put all resolutions to vote by poll at future general meetings.

Communication and Engagement with Shareholders

The Board recognises the importance of maintaining transparency and accountability to the Company's investors and is committed to ensuring effective communication through various channels. These include the quarterly announcements of financial results to Bursa Malaysia, other relevant announcements and circulars issued as and when necessary, the Annual General Meeting, as well as the Group's corporate website. Through these platforms, shareholders and stakeholders are able to access timely and relevant information relating to the Group's performance, corporate developments and other key disclosures.

Statement of Directors' Responsibility in Respect of the Financial Statements

The Group's financial statements have been drawn up in accordance with the applicable approved accounting standards in Malaysia and the Companies Act 2016. The financial statements give a true and fair view of the state of the affairs of the Group at the end of the financial year, and of the financial performance and cash flows for the financial year.

In preparing the financial statements, the Directors are also responsible for:

- The adoption of suitable accounting policies and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Ensuring that all applicable financial reporting standards have been followed; and
- Preparing financial statements on a going concern basis as the Directors have reasonable expectations, having made enquiries that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT CONT'D

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

Statement of Directors' Responsibility in Respect of the Financial Statements cont'd

The Directors have the responsibility of ensuring that the Company maintains adequate accounting records and sufficient internal controls to safeguard the assets and to prevent and detect fraud or other irregularities in the Group.

This Statement has been approved by the Board on 27 April 2026.



AUDIT COMMITTEE REPORT

1. COMPOSITION

The Audit Committee (the "AC"), which was established by the Board, comprises the following Directors as its members:

Chairperson	:	Mr. Chin Wai Kit (Independent Non-Executive Director)
Members	:	Ms. Kang Hui Ling (Independent Non-Executive Director) Ms. Soon Chooi Mee (Independent Non-Executive Director) (Appointed on 10 October 2025)

2. ROLE OF THE AUDIT COMMITTEE

The AC has been entrusted by the Board with the following responsibilities, which encompass overseeing the financial reporting process and the audit processes:

- to review the Group's quarterly and annual financial statements;
- to assess the Group's internal control system;
- to review the independence of the Group's internal and external auditors, including the scopes and processes adopted by the auditors;
- to review the related party transactions to ensure they are not detrimental to the minority shareholders and to address any conflict of interest situations; and
- to review any other significant transactions that are not part of the Group's business

3. KEY FUNCTIONS AND RESPONSIBILITIES

The key functions and responsibilities of the AC are to review the following and report the same to the Board:

- the audit plan, evaluation of the system of internal controls and the audit report with the external auditors, including the assistance provided by employees of the Group to the external auditors;
- review any management letter issued by the external auditors to the Company and Management's response to such letter;
- review the adequacy of the scope, functions, competency and resources of the internal audit function and whether it has the necessary authority to carry out its work. This includes determining whether the internal audit function deploys internal auditing standards that are recognised by professional bodies;
- review the internal audit programmes, processes, the major findings and results of the internal audit or investigations undertaken and whether appropriate actions have been taken on the recommendation of the internal audit function;
- assessment and re-appointment of internal auditors;
- the quarterly results and year-end financial statements, prior to approval by the Board of Directors, focusing on:
 - any changes in accounting policies and practice
 - major judgmental areas
 - significant adjustments resulting from the audit
 - going concern assumptions
 - compliance with accounting standards, stock exchange requirements, and other legal requirements
 - assess the quality and effectiveness of internal control system
 - any significant transactions that are not part of the Group's normal business

AUDIT COMMITTEE REPORT CONT'D

3. KEY FUNCTIONS AND RESPONSIBILITIES cont'd

- the quarterly results and year-end financial statements, prior to approval by the Board of Directors, focusing on: **Cont'd**
 - assess the quality and effectiveness of internal control system
 - any significant transactions which are not a normal part of the Group's business
- any related party transactions and conflict of interest situation that may arise within the Company and the Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- any letter of resignation from external auditors;
- whether there is any reason (supported by grounds) to believe that external auditors are not suitable for re-appointment, including the assessment of their professional independence and performance;
- recommend the nomination of person or persons as external auditors;
- establish a policy on the provision of non-audit services by the external auditor and/or its network members firms/companies to minimise the risk of the external auditor's independence and objectivity from being impaired; and
- any other functions as may be required by the Board from time to time.

The details of the key functions and responsibilities of the AC are set out in its terms of reference which is published on the Company's website at www.iwcity.com.my.

4. SUMMARY OF WORK OF THE INTERNAL AUDIT

The Company outsourced its internal audit function to an independent professional firm, which reports directly to the AC. The internal audit function assists the AC and the Board by providing independent and objective assurance on the adequacy and operating effectiveness of the system of governance, risk management and internal control, based on an internal audit plan approved by the AC. The internal audits were carried out using a risk-based approach and were guided by the International Professional Practice Framework.

During the financial year ended 31 December 2025, the business processes reviewed were as follows:

- Recurrent related party transactions;
- Anti Corruption Programme; and
- Human Resource Management.

The results of the audit reviews, together with the recommendations for improvement, were discussed with Management and subsequently presented to the AC during its quarterly meetings. Follow-up reviews were also conducted to assess the status of implementation of the agreed management action plans, and the outcomes of these reviews were reported to the AC.

Although certain internal control weaknesses were identified, none of these weaknesses resulted in any material losses or contingencies that would require further disclosure in this Annual Report.

Further details of the internal audit function and its activities are mentioned in the Statement on Risk Management and Internal Control included in this Annual Report.

AUDIT COMMITTEE REPORT CONT'D

5. SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The AC met five (5) times during the financial year ended 31 December 2025. The attendances of each member of the Committee were as follows: -

Name	Designation	Meetings Attended
Lim Foo Seng	Independent Non-Executive Director	4/4 [^]
Kang Hui Ling	Independent Non-Executive Director	5/5
Chin Wai Kit	Independent Non-Executive Director	5/5
Soon Chooi Mee	Independent Non-Executive Director	1/1 [*]

[^] Resigned w.e.f 10.10.2025

^{*} Appointed as a member of Committee on 10 October 2025

The AC members were provided with meeting agendas and relevant Board papers with adequate notice prior to the meetings to enable them to go through the matters to be deliberated at the meeting. The Company Secretaries are the secretaries of the AC.

During the financial year under review, the AC carried out the following activities:

- reviewed the quarterly financial announcements of the Group prior to recommending the same to the Board of Directors for approval;
- reviewed the significant matters / key audit matters highlighted by the external auditors in the financial statements and significant judgements made;
- reviewed the audit plan and the proposed fees of the external auditors for the statutory audit;
- reviewed the performance of the external auditors in terms of their capability and professionalism before recommending them to be considered for re-appointment at the Annual General Meeting;
- reviewed the audited annual financial statements of the Group and of the Company prior to recommending the same to the Board of Directors for approval;
- reviewed the internal audit reports and the recommendations on internal audit observations, including follow-up by the internal audit function on the status of Management's implementation of action plans to address issues highlighted in previous reports of the internal audit function;
- reviewed and evaluated the performance of the internal audit function;
- reviewed recurrent related party transactions within the Group;
- received conflict of interest report and reviewed the conflict of interest situation;
- reported to the Board on its activities and significant findings and results;
- reviewed the Audit Committee Report for inclusion in this Annual Report;
- reviewed the new accounting policies adopted by the Group to ensure compliance with the applicable Malaysian Financial Reporting Standards;
- reviewed the judgements and estimates adopted by the Group to ensure that are reasonable and prudent; and
- had one private session meeting with the external auditors and internal auditors without Management as and when there are matters concerning audit and financial reporting of the Group.

During the year, there were no instances where the AC was required to convene a special meeting to investigate areas of corruption, bribery or misconduct nor received whistleblower report.

This Audit Committee Report has been approved by the Board on 27 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), the Board of Directors (“Board”) is required to make a statement on the Group’s risk management and internal control (“SORMIC”).

Accordingly, the Board is pleased to present this Statement, which outlines the nature and scope of the Group’s risk management and internal control systems for the financial year ended 31 December 2025 and up to the date of approval of this Statement for inclusion in the Annual Report.

This Statement has been prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”), taking into consideration the principles and practices of the Malaysian Code on Corporate Governance 2021 and the latest SORMIC 2025 guidance.

Board Responsibility

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets, and for reviewing the adequacy and effectiveness of these systems.

The Board recognises that risk management and internal control are integral to the achievement of the Group’s strategic objectives and long-term sustainability. In discharging its responsibilities, the Board:

- identifies the principal risks faced by the Group and ensures appropriate mitigation measures are implemented and monitored;
- oversees the design, implementation and effectiveness of the Group’s risk management and internal control framework; and
- reviews the adequacy and integrity of the Group’s management information systems and internal controls processes.

Nature of Risk Management and Internal Control System

The Group has established an integrated framework of risk management and internal control covering strategic, financial, operational, compliance and sustainability aspects. Key duties and responsibilities are clearly defined, with appropriate levels of delegation and authority in place. These responsibilities are segregated across major business divisions, such as operations, financial management and reporting, capital expenditure management and investment functions to support effective internal controls and operational efficiency. A hierarchical reporting structure is in place, providing a documented and auditable trail of accountability.

The Group’s system of risk management and internal control applies principally to the Group and its subsidiaries and does not extend to the associates and joint ventures. The Group’s interests in the associates and joint ventures are managed through Board representatives, who provide oversight and ensure that relevant information is shared with the Board. This allows the Board to make informed decisions on the continuity of the Group’s investments based on the performance of the respective associate or joint venture.

The system of risk management and internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group’s business objectives and can therefore only provide reasonable, but not absolute assurance against material misstatement, fraud or loss.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL CONT'D

Governance Structure

The Group adopts the Three Lines Model, as advocated by the Institute of Internal Auditors, in line with SORMIC 2025, to support a robust governance, risk management and internal control framework. This model clearly delineates accountability and responsibilities across the organisation to ensure effective oversight and assurance.

(i) Board and Board Committees

The Board provides overall governance and oversight, sets the Group's strategic direction and risk appetite, and ensures that appropriate systems of risk management and internal control are established and operating effectively.

The Board is supported by the Audit Committee ("AC") and Risk Management and Sustainability Committee ("RMSC") in overseeing the Group's risk management and internal control systems.

The RMSC, chaired by an Independent Non-Executive Director, assists the Board in, among others:

- overseeing the Group's risk management framework and sustainability matters;
- reviewing risk management strategies, policies and risk appetite;
- monitoring key risks and corresponding mitigation measures; and
- reporting significant risk matters to the Board.

(ii) Management (First Line)

Management is responsible for executing the Group's strategies and managing day-to-day operations, including undertaking risk-taking activities within the defined risk appetite. Management is accountable for identifying, assessing and managing risks, as well as designing, implementing and maintaining effective internal controls.

(iii) Risk Management and Sustainability Functions (Second Line)

The risk management and sustainability function operates as a working group consisting of the Chief Operating Officer and Heads of Department. This working group provides oversight and overseeing the effective identification, assessment, and management of key risks and sustainability matters across the Group. Its purpose is to coordinate and drive the implementation of enterprise risk management and sustainability initiatives, ensuring that environmental, social, and governance ("ESG") considerations are integrated into the Group's strategy, operations, and decision-making processes. The working group also facilitates cross-functional collaboration, monitors risk exposures and sustainability performance, ensures compliance with reporting requirements, and provides timely reporting and recommendations to the RMSC and Board to enhance the Group's overall resilience, governance, and long-term value creation.

(iv) Internal Audit Function (Third Line)

The internal audit function provides independent and objective assurance to the Audit Committee on the adequacy and effectiveness of the Group's governance, risk management and internal control systems. It evaluates both the design and operating effectiveness of internal controls and recommends improvements where necessary.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL CONT'D

Governance Structure cont'd

(v) External Assurance Providers

External auditors and other independent professionals provide additional assurance on financial reporting and regulatory compliance, contributing to the reliability of disclosures and supporting the Group in meeting legislative and regulatory requirements, thereby safeguarding shareholders' interests.

This structured approach ensures a coordinated, transparent and effective system of governance, risk management and internal control across the Group.

Risk Management Process

The Group has established a structured and ongoing risk management process, guided by ISO 31000:2018, to identify, evaluate, monitor and manage significant risks faced by the Group in achieving its strategic and operational objectives. This process is embedded within the Group's business planning and decision-making activities and is continuously reviewed to ensure its relevance and effectiveness in an evolving business environment.

In line with SORMIC 2025, the Group adopts a forward-looking approach in risk management, with emphasis on the identification, assessment and monitoring of emerging risks that may impact its future performance and long-term sustainability. These emerging risk include, among others:

- technological risks, including cybersecurity threats and increasing adoption of artificial intelligence;
- macroeconomic and geopolitical developments that may affect market conditions and business operations; and
- sustainability-related risks, including energy and water management, occupational health and safety, ethical business conduct, product quality and sustainable building design etc.

During the financial year under review, a Group-wide risk assessment exercise was conducted with the assistance of an external professional firm, involving Heads of Departments to update the Key Risk Profile ("KRP"). The results of the risk assessments were reported and deliberated at the RMSC meeting held on 27 November 2025.

The risk management process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

Principal Risk Areas and Control Measures

The Group's principal risks are identified and assessed through its risk management process, based on their likelihood and potential impact, taking into consideration the effectiveness of existing controls. This enables the Group to prioritise key risks and ensure that appropriate mitigation measures and internal controls are implemented and monitored.

The principal risks are reviewed against the Group's risk appetite, with designated risk owners responsible for monitoring and managing these risks. Periodic reporting is carried out to Management and the RMSC to support ongoing oversight and timely decision-making.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL CONT'D

Principal Risk Areas and Control Measures cont'd

The Group's principal risks and corresponding mitigation measures include:

Principal risks	Description	Mitigation measures
Financial Risks	Risks relating to liquidity, cash flow management, borrowings and interest rate fluctuations.	Active monitoring of cash flows, prudent treasury management and regular review of the debt portfolio.
Operational Risks	Risks arising from project execution, cost overruns, supply chain disruptions, labour shortages and operational inefficiencies.	Close monitoring of project progress, cost control measures, vendor management and continuous process improvements.
Property Development and Construction Risks	Risks inherent in the Group's property development and construction activities, including delays in obtaining regulatory approvals, changes in development plans, construction delays, cost overruns, contractor performance issues, shortages or price fluctuations of construction materials, occupational health and safety hazards and defects or quality issues. The Group is also exposed to land-related risks, including land acquisition, conversion, subdivision approvals and compliance with planning and regulatory requirements, which may affect project timelines and profitability.	Conducting feasibility studies and due diligence prior to land acquisition and project commencement; maintaining close engagement with relevant authorities to facilitate timely approvals; implementing project planning, budgeting and cost control processes; careful selection, evaluation and monitoring of contractors and consultants; enforcing health and safety standards, regular site inspections and project progress reporting; implementation of quality assurance and defect management processes and continuous review of market conditions to align product offerings and pricing strategies.
Market and Sales Risks	Risks relating to competition, pricing pressures and sales take-up rates which may impact revenue and profitability.	Ongoing market analysis, effective marketing strategies, product positioning and pricing adjustments aligned with market conditions.
Regulatory and Compliance Risks	Exposure to changes in laws, regulations and licensing requirements.	Ongoing monitoring of regulatory developments and adherence to established policies and procedures.
Reputation Risks	Risks relating to stakeholder perception, product quality, delivery commitments and corporate conduct.	Implementation of code of conduct, quality assurance processes and proactive stakeholder engagement.
Cyber Security and Technology Risks	Risks associated with data breaches, system disruptions and reliance on digital systems.	Implementation of IT security controls, system monitoring, access controls and periodic reviews.
Sustainability Risks	Risks relating to environmental, social and governance matters and evolving stakeholder expectations.	Integration of sustainability considerations into business strategies and risk management processes, set target to track and monitor the sustainability risks performance, develop relevant policies and procedures in addressing the respective risks.

Management continues to review and enhance mitigation measures and internal controls to ensure risks are managed within acceptable levels.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL CONT'D

Sustainability and ESG Risk Integration

The Board recognises the importance of embedding environmental, social and governance considerations within the Group's overall risk management and internal control framework, in line with SORMIC 2025.

Sustainability risks are incorporated into the Group's risk management processes and are managed as part of the overall risk landscape, rather than as stand-alone matters. This is achieved through:

- incorporating sustainability-related and ESG factors into the Group's risk identification, assessment and monitoring processes;
- aligning sustainability risks with the Group's strategic objectives, operational plans and risk registers to ensure systematic management and reporting;
- considering both direct and indirect impacts, including environmental footprint, workforce matters, supply chain practices and evolving regulatory requirements;
- establishing clear accountability for ESG risk oversight at both Board and Management levels, supported by structured reporting mechanisms; and
- progressively working towards adopting forward-looking assessments, including scenario considerations where appropriate, to evaluate the potential impact of emerging risks such as climate change, technological disruption (including artificial intelligence) and cybersecurity developments.

This integrated approach supports proactive risk management, resilience and long-term value creation.

Internal Control Framework

The Group's internal control framework includes, inter-alia, a structured delegation of duties and responsibilities from the Board to the Executive Vice Chairman ("EVC"), Executive Director ("ED"), Chief Operating Officer ("COO") and Senior Management (collectively, the "Management"). These delegations are governed by defined authority limits aligned with the Group's day-to-day operations. In this respect, Management comprises individuals with the relevant experience and a deep understanding of the Group's business and risk landscape, is responsible for identifying and managing risks and implementing appropriate internal controls to manage these risks. Furthermore, Management regularly communicates the Board's strategic direction on risks management and internal control across the Group. This includes disseminating the Group's core values and policies, Management's risk philosophy and the defined organisational structure with clearly articulated roles, responsibilities and levels of authority for each employee.

The Board and Management have established broad operating strategies which form the basis of the annual budgeting process. In alignment with these strategies, annual budgets are developed and subsequently monitored through regular reviews. Progress towards achieving business objectives and performance targets are closely tracked by Management via operational meetings and the review of financial and operational reports. Matters requiring attention are addressed in a timely manner, leveraging the experience and expertise of personnel across the Group. Significant issues or developments requiring the Board's attention are communicated by the Management to the Board on the timely basis.

Salient features of the system of internal control within the Group are summarized as follows:

- defined management structure of the Group and clear delegation of authority to Board Committees and Management where authority levels have been formalised;
- regular reporting to the Management on operational matters and financial results as well as key performance indicators;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL CONT'D

Internal Control Framework cont'd

Salient features of the system of internal control within the Group are summarized as follows: **cont'd**

- regular Management and departmental discussions where operating strategies, initiatives and financial matters are deliberated;
- an annual budgetary process where each subsidiary has to submit a budget and a business plan to the Group management for review and approval, which is then tabled to the Board for deliberation; and
- established operating policies and procedure, code of conduct and other relevant human resource policies are contained within the Group's policies and operating procedures and Terms and Conditions of employment.

Management reviews performance regularly, and significant matters are reported to the Board on a timely basis.

Internal Audit Function

The Group's internal audit function is outsourced to an independent professional firm, Resolve IR Sdn Bhd. The Internal Auditor, who reports directly to the AC, supports the Board by providing independent and objective assurance on the adequacy and operating effectiveness of the Group's governance, risk management and internal control systems. The internal audit assignments were conducted in accordance with the agreed scope of work as outlined in Internal Audit Plan, which was tabled to and approved by the AC. There was no restrictions placed on the scope, and the Internal Auditor was granted with full and unrestricted access to all relevant records and personnel necessary to perform the audits effectively.

During the financial year under review, the AC reviewed the internal audit reports, the work performed by the internal audit function, its observations and recommendations to ensure that the AC obtained the necessary level of assurance regarding the adequacy and operating effectiveness of the Group's governance, risk management and internal control systems. The Internal Auditor reports its observations, including Management's responses and action plans thereof, directly to the AC. The Internal Auditor also conducts follow up review and reports to the AC the status of implementation of recommendations by Management as highlighted in the previous internal audit reports.

Further details of the Internal Audit Function are set out in the Audit Committee Report on page 85 of this Annual Report.

The costs incurred for internal audit function for the financial year amounted to approximately RM91,000.

Assurance by Management

The Board has received assurance from the Executive Vice Chairman and Executive Director that the Group's risk management and internal control systems have operated adequately and effectively, in all material respects, for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

Inherent Limitations of Risk Management and Internal Control Systems

The Board recognises that any system of risk management and internal control has inherent limitations and is designed to manage, rather than eliminate, the risk of failure to achieve the Group's objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL CONT'D

Inherent Limitations of Risk Management and Internal Control Systems cont'd

Accordingly, such systems can only provide reasonable, but not absolute, assurance against material misstatement, fraud or loss. Such limitations may arise from:

- human error or judgement;
- collusion to circumvent controls;
- management override of controls;
- changes in external conditions; and
- the evolving nature of risks, including emerging and unforeseen risks.

The Board also acknowledges that the design of internal controls must balance cost considerations against the benefits derived and remains committed to continuous improvement of the Group's systems.

Board's Review and Opinion

The Board, through the AC, has reviewed the adequacy and effectiveness of the Group's risk management and internal control systems based on:

- management reports;
- deliberations by the RMSC;
- internal audit findings and follow-up actions; and
- external audit observations.

The Board is satisfied that the Group's risk management and internal control systems are adequate and effective and provide reasonable assurance that significant risks are managed within acceptable levels.

Management of Material Internal Control Weaknesses

The Board is satisfied that appropriate actions have been taken to address identified weaknesses. The Board is also pleased to inform that there have been no material weaknesses in the system of risk management and internal control that resulted in material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report. The Board, through Management, continues to take measures to strengthen the Group's risk management and internal control system from time to time based on recommendations of the Internal Auditor as well as the External Auditor.

External Auditor's Review

The External Auditors have reviewed this Statement in accordance with Paragraph 15.23 of the MMLR and reported that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the Guidelines.

Approval

This Statement was approved by the Board on 27 April 2026.



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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" section of this report.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Loss after taxation for the financial year	(18,288)	(3,049)
Attributable to:- Owners of the Company	(18,288)	(3,049)

DIVIDEND

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS' REPORT CONT'D

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

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

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT CONT'D

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

Tan Sri Dato' Lim Kang Hoo**
Datuk Lim Keng Guan
Lim Chen Heng **
Kang Hui Ling
Chin Wai Kit
Khairudin Bin Hasan
Soon Chooi Mee (appointed on 10 October 2025)
Lim Foo Seng (resigned on 10 October 2025)
Dato' Hj. Ayub Bin Mion (resigned on 28 January 2026)

** These directors are also the directors of the Company's subsidiaries.

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

Dato' Hj. Ayub Bin Mion
Dato' Hj. Md. Zahari Bin Md. Zin
Wong Khai Shiuan
Khoo Boon Ho

DIRECTORS' REPORT CONT'D

DIRECTORS' INTERESTS

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

	←-----Number of Ordinary Shares-----→			
	At 1.1.2025	Bought	Sold	At 31.12.2025
The Company				
<i>Direct Interests</i>				
Tan Sri Dato' Lim Kang Hoo	5,540,700	-	-	5,540,700
<i>Indirect Interests</i>				
Tan Sri Dato' Lim Kang Hoo	307,846,069	-	-	307,846,069

By virtue of his shareholdings in the Company, Tan Sri Dato' Lim Kang Hoo is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	The Group RM'000
Related parties	
Rental paid and payables	45
Other expenses paid and payables	14
Security expenses paid and payables	250
	<hr/>

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

DIRECTORS' REPORT CONT'D

DIRECTORS' REMUNERATION

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

	The Group RM'000	The Company RM'000
Fees and allowance	503	421
Salaries, bonuses and other benefits	421	16
Defined contribution benefits	50	2
	974	439

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM37,200.

INDEMNITY AND INSURANCE COST

No indemnities were given to, nor insurance effected for, the directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
<i>Subsidiaries of the Company</i>			
Bayou Bay Development Sdn. Bhd. ("BBDSB")	Malaysia	100	Property development
Tebrau Bay Sdn. Bhd. ("TBSB")	Malaysia	100	Property development and construction
Tebrau Bay Constructions Sdn. Bhd. ("TBCSB")	Malaysia	100	Construction of infrastructure and buildings
Southern Crest Development Sdn. Bhd. ("SCDSB")	Malaysia	100	Investment holding
Success Straits Sdn. Bhd. ("SSSB")	Malaysia	100	Property development
Trillion Greencity Sdn. Bhd. ("TGSB")	Malaysia	100	Dormant

DIRECTORS' REPORT CONT'D

SUBSIDIARIES (CONT'D)

The details of the Company's subsidiaries are as follows:- (cont'd)

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
<i>Subsidiary of Bayou Bay Development Sdn. Bhd.</i>			
Bayou Management Sdn. Bhd.	Malaysia	100	Property development

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Material Litigation(i) Kerajaan Malaysia vs TBSB (suit no. JA-21NCvC-13-03/2022)

On 29 March 2022, TBSB was served with a Writ of Summon and Statement of Claim from Inland Revenue Board of Malaysia ("IRB"), in respect of unpaid income taxes amounting to RM10,831,595 plus 5% per annum on the alleged claims, costs and other reliefs as the Honourable Court deems fit and proper to grant.

The case management for the Main Suit and the hearing of the plaintiff's application under Order 14A of the Rules of Court 2012 (Disposal of Case on a Point of Law), which were originally fixed on 4 February 2026, did not proceed due to disruption to the Court's e-filing system.

On 22 April 2026, Kerajaan Malaysia's application under Order 14A of the Rules of Court 2012 (Disposal of Case on a Point of Law) was allowed by the High Court. The High Court has further directed the Kerajaan Malaysia to take the necessary next steps, as the allowance of the application under Order 14A does not automatically, dispose of the main suit.

The suit is not expected to have any significant operational or financial impact to the Group as the said amount has been fully provided in the financial statements for the financial year ended 31 December 2021 except for any additional costs or interest granted (if any).

(ii) TBSB vs Kerajaan Malaysia (suit no. JA-21NCvC-18-11/2024)

On 20 November 2024, TBSB filed a writ of summons and statement of claim against the Kerajaan Malaysia, seeking, among other reliefs:

- (1) a declaration that RM170 million, claimed as compensation for the compulsory acquisition of TBSB's land by the Johor State Government, is not taxable under the Income Tax Act 1967;
- (2) a declaration that the tax assessment for the year of assessment 2015, amounting to RM37,750,015, imposed on TBSB is invalid, unlawful and in violation of TBSB's constitutional rights guaranteed under Article 13(2) of the Federal Constitution;
- (3) a refund of RM26,911,710, being the income tax paid by TBSB to the IRB for the year of assessment 2015; and
- (4) interest at the rate of 5% per annum on the sum of RM26,911,710, calculated from the date of judgment until full and final settlement of the same.

DIRECTORS' REPORT CONT'D

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(a) Material Litigation (Cont'd)

(ii) TBSB vs Kerajaan Malaysia (suit no. JA-21NCvC-18-11/2024) (Cont'd)

On 21 January 2025, the Kerajaan Malaysia filed an application to strike out TBSB's writ of summons and statement of claim ("Striking Out Application"). Subsequently, on 12 March 2025, the Kerajaan Malaysia filed an application to transfer the proceedings of this suit to have this suit and suit no. JA-21NCvC-13-03/2022 (as set out in Section (i) above) be heard together ("Transfer Application"), for, among others, the following reasons:

- (1) the issues to be tried in both suits are the same;
- (2) the parties involved in both suits are the same; and
- (3) the causes of action and the relief sought in both suits arise from the same matrix of facts.

The hearings for the Striking Out Application and the Transfer Application which were fixed on 4 February 2026, did not proceed due to disruption to the Court's e-filing system. On 22 April 2026, the Kerajaan Malaysia's striking out application was allowed by High Court and the present action was dismissed in its entirety.

The suit did not have any significant operational or financial impact to the Group during the financial year.

(iii) Tenaga Nasional Berhad ("TNB") vs TBCSB, Iskandar Waterfront City Berhad ("IWCB") and TBSB

On 17 November 2020, the Company ("IWCB or First Defendant") and its subsidiary, TBCSB ("Second Defendant") received a Writ of Summons of Claim ("Claim") filed by TNB at the High Court. In the Claim, TNB alleged that reclamation works undertaken by the Defendants in 2014 on Lot PTD 121257 Kampung Senibong have trespassed on the right of way ("ROW") of TNB's submarine cables. Another subsidiary, TBSB was included in the suit as a 3rd Defendant on 5 December 2021. The Claim seeks amongst others, the following reliefs:

- Perpetual injunction order against the Defendants from carrying out any activities on TNB's ROW without TNB's permission;
- Damages of RM76,565,000;
- General damages against losses suffered by the Plaintiff and economic loss damage to be assessed by the Court, together with interest at the rate of 5% per annum from the filing of the suit to the date of full settlement; and
- Other damages, costs and reliefs which the Court deems fit and proper.

The Group has appointed a counsel to defend the claim. The Company, TBCSB and TBSB had filed an application to strike out the Plaintiff's suit ("Defendants' Striking Out Applications"). The Group's defence, amongst others, is that at all material times, the reclamation works are carried out by independent contractors outside of the Plaintiff's ROW, in accordance with plans approved by the Johor Bahru City Council since 2000. Further, the Plaintiff has not provided any evidence of the nature, cause and quantum of the alleged damage to the submarine cables.

Due to the above, the Group is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and has accordingly disclosed the details of the Claim as a contingent liability.

DIRECTORS' REPORT CONT'D

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(a) Material Litigation (Cont'd)

(iii) Tenaga Nasional Berhad ("TNB") vs TBCSB, Iskandar Waterfront City Berhad ("IWCB") and TBSB (Cont'd)

The Court has on 1 February 2024 dismissed the Defendants' Striking out Applications with cost of RM8,000 for each application awarded to TNB. Following that, this matter will proceed to full trial.

On 28 March 2024, TBCSB filed an ex parte application seeking leave to issue a 3rd party notice against the first-tier sub-contractor in respect of the reclamation works. On 1 July 2024, the High Court allowed the application and ordered for the 3rd party notice to be served on first-tier sub-contractor. Subsequently, the first-tier sub-contractor filed an ex parte application against its second-tier sub-contractor to commence 4th party proceedings in the same suit. However, the first-tier sub-contractor's application for directions against the second-tier sub-contractor was dismissed by the Court. The first-tier sub-contractor thereafter appealed against the dismissal, and the appeal was allowed by the Court of Appeal on 14 January 2026. Following this, the second-tier sub-contractor obtained leave from the High Court to proceed with 5th party proceedings. Accordingly, a 5th party notice and Statement of Claim were filed against its third-tier sub-contractor on 19 March 2026. The High Court has fixed the case management for the exchange of pleadings between the first-tier sub-contractor and second-tier sub-contractor on 6 May 2026.

On 7 October 2025, the Plaintiff filed a notice of application to amend the quantum of damages from RM76,564,759.77 to RM133,162,309.92. The Plaintiff's amendment application was dismissed by the Court on 10 November 2025. The Plaintiff appealed to the Court of Appeal against the dismissal of the amendment application and filed an application to stay the High Court proceedings on quantum on 12 December 2025 pending the disposal of the Plaintiff's amendment appeal. On 20 January 2026, the Plaintiff's Stay Application was allowed by the High Court.

During the case management held on 3 March 2026, the Court issued the hearing of the Plaintiff's appeal of the dismissal of its application to amend the amended statement of claim to be fixed on 4 January 2027, and a further case management is scheduled on 22 December 2026, for the parties to update the Court on compliance with directions regarding the filing of written submissions, executive summaries and bundles of documents.

DIRECTORS' REPORT CONT'D

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) Paragraph 8.03A of the Main Market Listing Requirement ("MMLR")

The Company had announced that it has triggered Paragraph 8.03A of the MMLR of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), in particular Paragraph 8.03A(7)(b)(i) and the Company is considered as an affected listed issuer.

The Company has proposed to undertake the followings to regularise its financial condition in accordance with Paragraph 8.04(3) of MMLR of Bursa Malaysia:

(i) Proposed Debt Settlement

The Company had on 20 March 2025 and 22 September 2025 entered into a conditional settlement agreement and a supplemental agreement with Rampai Fokus Sdn. Bhd. ("RFSB"), a wholly-owned subsidiary of Danga Bay Sdn Bhd, which is in turn wholly-owned by Iskandar Waterfront Holdings Sdn Bhd, a major shareholder of the Company for the full settlement of the outstanding advances made available by RFSB to TBSB and TBCSB, the wholly-owned subsidiaries of the Company (collectively, the "IWCB Group") together with the interest accrued thereon, amount to an aggregate sum of RM267.83 million as at 31 December 2025 by way of the proposed issuance by TBSB and TBCSB of up to 225,200,000 new redeemable preference shares-class A in TBSB and up to 43,200,000 new redeemable preference shares-class A in TBCSB, respectively.

(ii) Proposed Capital Reduction

Proposed capital reduction involving the reduction of the issued share capital of the Company pursuant to Section 117 of the Companies Act, 2016 ("Act") via the cancellation of the Company's paid-up share capital which is substantially unrepresented by available assets amounting to RM120 million. The corresponding credit of RM120 million arising from such cancellation will be used to set-off against the accumulated losses of the Company while the remaining balance, if any, will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board at a later date and in the best interest of the Company as permitted by the relevant and applicable laws as well as the MMLR.

The Company had on 11 February 2026 obtained its shareholders' approval for the proposed regularisation plan at its extraordinary general meeting. The Company is currently in the midst of implementing the regularisation plan.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

BBDSB, a wholly-owned subsidiary of the Company, had on 13 February 2026 entered into a conditional sales and purchase agreement ("SPA") for the disposal of a piece of leasehold vacant land under Mukim of Plentong, District of Johor Bahru measuring approximately 16.43 acres ("Land") for a cash consideration of approximately RM71.55 million.

As the date of this report, the conditions precedent to the SPA are still pending for fulfilment.

HOLDING COMPANIES

The immediate and ultimate holding companies are Iskandar Waterfront Holdings Sdn. Bhd. and Credence Resources Sdn. Bhd., respectively. Both the aforesaid holding companies are incorporated in Malaysia.

DIRECTORS' REPORT CONT'D

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed that they do not wish to seek re-appointment at the forthcoming financial year.

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

	The Group RM'000	The Company RM'000
Audit fees	305	100
Non-audit fees	230	230
	<hr/> 535	<hr/> 330

Signed in accordance with a resolution of the directors dated 27 April 2026.

Chin Wai Kit

Lim Chen Heng

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

We, Chin Wai Kit and Lim Chen Heng, being two of the directors of Iskandar Waterfront City Berhad, state that, in the opinion of the directors, the financial statements set out on pages 111 to 185 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 27 April 2026.

Chin Wai Kit

Lim Chen Heng

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

I, Liow Fui Fui, MIA Membership Number: 24524, being the officer primarily responsible for the financial management of Iskandar Waterfront City Berhad, do solemnly and sincerely declare that the financial statements set out on pages 111 to 185 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Liow Fui Fui
at
in the State of Johor
on this 27 April 2026.

Before me

Liow Fui Fui

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISKANDAR WATERFRONT CITY BERHAD (Incorporated in Malaysia) Registration No: 196801000661 (8256-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Iskandar Waterfront City Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 111 to 185.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISKANDAR WATERFRONT CITY BERHAD

(Incorporated in Malaysia)

Registration No: 196801000661 (8256-A)

Key audit matters

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

Key audit matters	How our audit addressed the key audit matters
<p>Going Concern</p> <p>The Group has prepared its financial statements on a going concern basis notwithstanding that the Group recorded a continuous loss before tax ("LBT") of RM18.6 million (2024: RM17.2 million). In addition, the Group has also been classified as an affected listed Issuer pursuant to Paragraph 8.03A(2)(b) of the Main Market Listing Requirements of Bursa Malaysia.</p> <p>As disclosed in Note 4.1 to the financial statements, the Directors are of the opinion that there is no material uncertainty in respect of the ability of the Group to continue as a going concern and the preparation of the financial statements of the Group on the going concern basis is appropriate after having considered the expected cash flows arising from the Group's sales of completed units, development rights and vacant land, ongoing financial support from related parties and adequacy of financing facilities available to the Group.</p> <p>This is a key audit matter due to the degree of judgement involved in our evaluation of the appropriateness of the Director's assessment on going concern basis for the preparation of the financial statements of the Group.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> assessed the ability of the Group to continue as a going concern and meet its obligations for the next twelve months from 31 December 2025 based on the budgeted cash flows prepared by the management for the said period and evaluating the key assumptions used by management in preparing the budgets; assessed the availability of financing facilities to the Group to support its operations; evaluated the judgement exercised by management in determining the appropriateness of using the going concern basis in the preparation of the financial statements; and evaluated the adequacy of disclosures for the going concern in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISKANDAR WATERFRONT CITY BERHAD (Incorporated in Malaysia) Registration No: 196801000661 (8256-A)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISKANDAR WATERFRONT CITY BERHAD

(Incorporated in Malaysia)

Registration No: 196801000661 (8256-A)

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ISKANDAR WATERFRONT CITY BERHAD
(Incorporated in Malaysia)
Registration No: 196801000661 (8256-A)**

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

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

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

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

OTHER MATTERS

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

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

Johor Bahru

27 April 2026

Tan Lin Chun
02839/10/2027 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

		The Group		The Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	473,665	473,665
Property, plant and equipment	8	4,621	3,964	92	84
Investment properties	9	95	95	-	-
Other receivables	10	-	-	81,174	78,631
Other investments	11	90	90	-	-
Deferred tax assets	12	10,957	10,957	-	-
Inventory properties – land held for property development	13	638,437	638,039	-	-
		<u>654,200</u>	<u>653,145</u>	<u>554,931</u>	<u>552,380</u>
CURRENT ASSETS					
Inventories	14	60,566	34,222	-	-
Inventory properties – property development costs	13	432,639	481,161	-	-
Trade receivables	15	133,293	120,986	-	-
Other receivables, deposits and prepayments	10	5,851	7,123	206,465	211,814
Contract assets	16	727	25,673	-	-
Short-term investments	17	526	509	86	83
Current tax assets		2,459	6,223	-	-
Fixed deposits with licensed banks	18	16,232	16,669	1,838	1,803
Cash and bank balances	19	31,066	26,633	116	223
		<u>683,359</u>	<u>719,199</u>	<u>208,505</u>	<u>213,923</u>
TOTAL ASSETS		<u>1,337,559</u>	<u>1,372,344</u>	<u>763,436</u>	<u>766,303</u>

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

		The Group		The Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	20	766,884	766,884	766,884	766,884
Accumulated losses		(66,010)	(47,722)	(103,967)	(100,918)
TOTAL EQUITY		700,874	719,162	662,917	665,966
NON-CURRENT LIABILITIES					
Trade payables	21	26,008	26,008	-	-
Other payables	22	9,374	9,503	-	-
Deferred tax liabilities	12	96,146	96,420	-	-
Provisions	24	34,916	34,916	-	-
Loans and borrowings	23	929	388	-	-
		167,373	167,235	-	-
CURRENT LIABILITIES					
Trade payables	21	36,937	46,038	-	-
Contract liabilities	16	4,300	4,993	-	-
Other payables and accruals	22	302,514	308,102	2,868	2,686
Loans and borrowings	23	105,794	105,902	97,651	97,651
Provisions	24	8,817	9,962	-	-
Current tax liabilities		10,950	10,950	-	-
		469,312	485,947	100,519	100,337
TOTAL LIABILITIES		636,685	653,182	100,519	100,337
TOTAL EQUITY AND LIABILITIES		1,337,559	1,372,344	763,436	766,303

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
REVENUE	25	43,421	101,751	-	-
COST OF SALES		(42,062)	(101,220)	-	-
GROSS PROFIT		1,359	531	-	-
OTHER INCOME		1,714	898	38	39
SELLING AND MARKETING EXPENSES		(1,052)	203	-	-
ADMINISTRATIVE EXPENSES		(14,423)	(17,749)	(2,974)	(37,030)
FINANCE COSTS		(6,235)	(1,045)	(113)	(118)
LOSS BEFORE TAXATION	26	(18,637)	(17,162)	(3,049)	(37,109)
TAX INCOME/(EXPENSE)	27	349	(2,201)	-	-
LOSS AFTER TAXATION/TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		(18,288)	(19,363)	(3,049)	(37,109)
LOSS AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(18,288)	(19,363)	(3,049)	(37,109)
LOSS PER SHARE (SEN)	28				
Basic		(1.99)	(2.10)		
Diluted		(1.99)	(2.10)		

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Share Capital RM'000	Accumulated Losses RM'000	Total Equity RM'000
The Group			
Balance at 1.1.2024	766,884	(28,359)	738,525
Loss after taxation/total comprehensive loss for the financial year	-	(19,363)	(19,363)
Balance at 31.12.2024/1.1.2025	766,884	(47,722)	719,162
Loss after taxation/total comprehensive loss for the financial year	-	(18,288)	(18,288)
Balance at 31.12.2025	766,884	(66,010)	700,874

	Share Capital RM'000	Accumulated Losses RM'000	Total Equity RM'000
The Company			
Balance at 1.1.2024	766,884	(63,809)	703,075
Loss after taxation/total comprehensive loss for the financial year	-	(37,109)	(37,109)
Balance at 31.12.2024/1.1.2025	766,884	(100,918)	665,966
Loss after taxation/total comprehensive loss for the financial year	-	(3,049)	(3,049)
Balance at 31.12.2025	766,884	(103,967)	662,917

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOW FROM/(FOR) OPERATING ACTIVITIES					
Loss before taxation		(18,637)	(17,162)	(3,049)	(37,109)
Adjustments for:-					
Allowance of impairment losses for other receivables		16	-	-	-
Depreciation of property, plant and equipment		489	422	21	47
Loss on disposal of property, plant and equipment		-	30	-	-
Impairment loss on investment in subsidiary		-	-	-	34,931
Interest expenses		6,221	927	112	117
Interest income		(551)	(630)	(38)	(39)
Inventories written down		1,653	-	-	-
Provisions		652	9,254	-	-
Operating loss before working capital changes		(10,157)	(7,159)	(2,954)	(2,053)
Decrease in inventory properties		48,123	24,665	-	-
(Increase)/Decrease in inventories		(27,996)	36,067	-	-
Decrease/(Increase) in contract assets		25,059	(11,211)	-	-
(Increase)/Decrease in trade and other receivables		(11,165)	52,834	3	(681)
(Decrease)/Increase in trade and other payables		(13,829)	(41,120)	557	33
Decrease in contract liabilities		(693)	(9,265)	-	-
CASH FROM/ (FOR) OPERATIONS		9,342	44,811	(2,394)	(2,701)
Income tax paid		(985)	(1,587)	-	-
Income tax refund		4,824	236	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		13,181	43,460	(2,394)	(2,701)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Interest income received		534	614	35	36
Proceeds from disposal of property, plant and equipment		-	74	-	-
Purchase of property, plant and equipment	29(a)	(172)	(3,252)	(29)	(7)
Addition of short-term investments		-	(55)	-	-
Repayment from subsidiaries		-	-	2,721	5,921
NET CASH FROM/(FOR) INVESTING ACTIVITIES		362	(2,619)	2,727	5,950
CASH FLOWS FOR FINANCING ACTIVITIES					
Withdrawal/(Additions) to pledged fixed deposits		440	(656)	(35)	(36)
Advances from related parties	29(b)	-	75	-	63
Repayment to related parties	29(b)	(2,785)	(4,443)	(293)	(653)
Interest paid	29(b)	(6,221)	(7,832)	(112)	(117)
Proceeds from drawdown of bridging loan	29(b)	-	6,006	-	-
Repayment of bridging loan	29(b)	-	(7,333)	-	-
Repayment of hire purchase payables	29(b)	(243)	(88)	-	-
Repayment of revolving credit	29(b)	-	(2,349)	-	(2,349)
Redemptions of redeemable preference shares	29(b)	-	(9,500)	-	-
NET CASH FOR FINANCING ACTIVITIES		(8,809)	(26,120)	(440)	(3,092)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,734	14,721	(107)	157
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		18,631	3,910	223	66
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	29(d)	23,365	18,631	116	223

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : L2-02, 1 Medini Hub,
Persiaran Medini Utara 3,
Medini Iskandar,
79000 Nusajaya,
Johor.

Principal place of business : #G08, Block 8, Danga Bay,
Jalan Skudai,
80200 Johor Bahru,
Johor.

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

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 April 2026.

2. HOLDING COMPANIES

The immediate and ultimate holding companies are Iskandar Waterfront Holdings Sdn. Bhd. and Credence Resources Sdn. Bhd., respectively. Both the aforesaid holding companies are incorporated in Malaysia.

3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

4. BASIS OF PREPARATION

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. BASIS OF PREPARATION (CONT'D)

4.1 GOING CONCERN

The Group has prepared its financial statements on a going concern basis notwithstanding that the Group recorded a continuous loss before tax ("LBT") of RM18.6 million (2024: RM17.2 million). In addition, the Group has also been classified as an affected listed issuer pursuant to Paragraph 8.03A(2)(b) of the Main Market Listing Requirements of Bursa Malaysia. This gives rise to concern as to whether the use of the going concern assumption is appropriate in connection with the preparation of the Group's financial statements.

The directors are of the opinion that there is no material uncertainty in respect of the ability of the Group to continue as a going concern and the preparation of the financial statements of the Group on a going concern basis is appropriate after having considered the following :

- a) The expected cash flows arising from the Group's sales of completed units, development rights and vacant lands;
- b) Ongoing financial support from related parties;
- c) Adequacy of financing facilities available to the Group; and
- d) Proposed regularisation plan as disclosed in Note 36(b) to the financial statements.

4.2 During the current financial year, the Group and the Company have adopted the following applicable new accounting standard (including the consequential amendment, if any):-

MFRS (Including the Consequential Amendment)

Amendments to MFRS 121: Lack of Exchangeability

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. BASIS OF PREPARATION (CONT'D)

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

MFRSs (Including the Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

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

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 ‘Presentation and Disclosure in Financial Statements’ will replace MFRS 101 ‘Presentation of Financial Statements’ upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: “operating”, “investing” and “financing” and introduces 2 new subtotals: “operating profit or loss” and “profit or loss before financing and income tax”. In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and their accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Write-down of Inventories and Inventories Properties

Management periodically reviews damaged, obsolete and slow-moving inventories, including inventory properties. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amounts of inventories and inventory properties as at the reporting date is disclosed in Notes 13 and 14 to the financial statements.

(b) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. If the expectation is different from the estimation, such a difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 15 and 16 to the financial statements respectively.

(c) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Note 10 to the financial statements respectively.

(d) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the applicable laws governing the contract.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Revenue and Cost Recognition of Property Development Activities (Cont'd)

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

(e) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 12 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

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

(a) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

(b) Going Concern

The preparation of the financial statements requires management to make a significant judgement regarding the Group's ability to continue as a going concern. The assessment considers the cash flow and profit forecast prepared by the management and the judgements applied in concluding the appropriate basis for preparing these financial statements are disclosed in Note 4.1 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

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

Financial Assets at Amortised Cost

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

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

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

Redeemable preference shares are classified as financial liabilities in accordance with the substance of the contractual arrangement of the instruments.

(c) Equity

Ordinary Shares

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

(d) Financial Guarantee Contracts

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 INVESTMENTS IN SUBSIDIARIES

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

5.4 INVESTMENTS IN ASSOCIATES

Investments in associates are stated in the separate financial statements of the Company at cost less impairment losses, if any, and accounted for using the equity method in the financial statements of the Group.

5.5 LAND HELD FOR FUTURE PROPERTY DEVELOPMENT

Land held for future property development is stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land, conversion fees and other relevant levies and an appropriate proportion of common infrastructure costs.

Land held for future property development is transferred to property development cost category when development activities have commenced and are expected to be completed within the normal operating cycle.

5.6 PROPERTY, PLANT AND EQUIPMENT

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

Subsequent to the initial recognition, all property, plant and equipment, are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Buildings	2%
Motor vehicles	10% - 20%
Plant, office equipment, fittings and computers	10%
Renovation	10%

5.7 INVENTORIES

Completed properties are stated at the lower of cost and net realisable value. Cost is determined on specific identification and comprises cost associated with the purchase of land (including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use), construction costs and other related development costs incurred in bringing the inventories to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.8 PROPERTY DEVELOPMENT COSTS

Property development costs are stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, and an appropriate proportion of common infrastructure costs and borrowing costs capitalised.

The property development costs of unsold units are transferred to inventories once the development is completed.

5.9 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.9 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Property Development

The Group develops and sells residential and commercial properties before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

For the sales of completed properties and development rights, the Group recognises revenue at a point in time when the completed properties have been delivered to and accepted by the customers or when the development rights have been transferred to the purchasers.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs related less the costs that relate directly to providing the goods and that have not been recognised as expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.9 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) Construction Services

Revenue from construction contract is accounted for by the stage of completion method.

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as contract assets. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as contract liabilities.

(c) Rendering of Marketing and Management Services

Revenue from providing marketing and management services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. INVESTMENT IN SUBSIDIARIES

	The Company	
	2025	2024
	RM'000	RM'000
Unquoted ordinary shares, at cost	460,192	460,192
Unquoted redeemable preference shares, at cost	95,000	95,000
	<u>555,192</u>	<u>555,192</u>
Accumulated impairment losses	(81,527)	(81,527)
	<u>473,665</u>	<u>473,665</u>

The movement in the loss allowances in respect of the investment in subsidiaries are summarised below:-

	The Company	
	2025	2024
	RM'000	RM'000
At 1 January	81,527	46,596
Impairment during the financial year (Note 26)	-	34,931
At 31 December	<u>81,527</u>	<u>81,527</u>

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
<i>Subsidiaries of the Company</i>				
Bayou Bay Development Sdn. Bhd.	Malaysia	100	100	Property development
Tebrau Bay Sdn. Bhd.	Malaysia	100	100	Property development and construction
Tebrau Bay Constructions Sdn. Bhd.	Malaysia	100	100	Construction of infrastructure and buildings
Southern Crest Development Sdn. Bhd.	Malaysia	100	100	Investment holding
Success Straits Sdn. Bhd.	Malaysia	100	100	Property development
Trillion Greencity Sdn. Bhd.	Malaysia	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
<i>Subsidiary of Bayou Bay Development Sdn. Bhd.</i>				
Bayou Management Sdn. Bhd.	Malaysia	100	100	Property holding and development

The subsidiaries have the same reporting period as the Group.

7. INVESTMENT IN ASSOCIATES

	The Group	
	2025 RM'000	2024 RM'000
Unquoted ordinary shares, at cost	323	323
Unquoted redeemable preference shares, at cost	82,130	82,130
Share subscription monies for redeemable preference shares	10	10
Share of post-acquisition reserves	(37,581)	(37,581)
Elimination of unrealised profit	(44,882)	(44,882)
	-	-

The details of the associates are as follows:-

Name of Associates	Principal Place of Business	Percentage of Ownership		Principal Activities
		2025 %	2024 %	
<i>Associate of Tebrau Bay Sdn. Bhd.</i>				
Aset Nusantara Development Sdn. Bhd. ("ANDSB") #	Malaysia	49	49	Property development
<i>Associate of Southern Crest Development Sdn. Bhd.</i>				
Greenland Tebrau Sdn. Bhd. ("GTSB") #	Malaysia	20	20	Property development

The investment in ANDSB and GTSB have been fully impaired. Both ANDSB and GTSB are currently under liquidation.

Summarised financial information for the associates has not been presented as the associates are not individually material to the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2025 RM'000	Additions RM'000	Depreciation Charges (Note 26) RM'000	At 31.12.2025 RM'000
The Group				
2025				
<i>Carrying Amount</i>				
Buildings	3,114	-	(63)	3,051
Motor vehicles	712	1,109	(390)	1,431
Plant, equipment and fittings	126	37	(34)	129
Renovation	12	-	(2)	10
	3,964	1,146	(489)	4,621

	At 1.1.2024 RM'000	Additions RM'000	Disposal RM'000	Depreciation Charges (Note 26) RM'000	At 31.12.2024 RM'000
The Group					
2024					
<i>Carrying Amount</i>					
Buildings	-	3,140	-	(26)	3,114
Motor vehicles	461	672	(104)	(317)	712
Plant, equipment and fittings	176	27	-	(77)	126
Renovation	14	-	-	(2)	12
	651	3,839	(104)	(422)	3,964

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
The Group			
2025			
Buildings	3,140	(89)	3,051
Motor vehicles	5,465	(4,034)	1,431
Plant, equipment and fittings	3,185	(3,056)	129
Renovation	337	(327)	10
	12,127	(7,506)	4,621

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

	At Cost RM'000	Accumulated Depreciation RM'000	Carryings Amount RM'000
The Group			
2024			
Buildings	3,140	(26)	3,114
Motor vehicles	4,356	(3,644)	712
Plant, equipment and fittings	3,148	(3,022)	126
Renovation	337	(325)	12
	<u>10,981</u>	<u>(7,017)</u>	<u>3,964</u>

	At 1.1.2025 RM'000	Additions RM'000	Depreciation Charges (Note 26) RM'000	At 31.12.2025 RM'000
The Company				
2025				
<i>Carrying Amount</i>				
Computer	43	28	(8)	63
Furniture and equipment	29	1	(11)	19
Renovation	12	-	(2)	10
	<u>84</u>	<u>29</u>	<u>(21)</u>	<u>92</u>

	At 1.1.2024 RM'000	Additions RM'000	Depreciation Charges (Note 26) RM'000	At 31.12.2024 RM'000
The Company				
2024				
<i>Carrying Amount</i>				
Computer	52	-	(9)	43
Furniture and equipment	58	7	(36)	29
Renovation	14	-	(2)	12
	<u>124</u>	<u>7</u>	<u>(47)</u>	<u>84</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
The Company			
2025			
Computer	626	(563)	63
Furniture and equipment	550	(531)	19
Renovation	31	(21)	10
	1,207	(1,115)	92
2024			
Computer	598	(555)	43
Furniture and equipment	549	(520)	29
Renovation	31	(19)	12
	1,178	(1,094)	84

Included in the property, plant and equipment of the Group were motor vehicles with a total carrying amount of RM1,361,207 (2024: RM554,509) held under hire purchase agreements. The asset have been pledged as security for the hire purchase payables of the Group as disclosed in Note 23 to the financial statements.

9. INVESTMENT PROPERTIES

	The Group	
	2025	2024
	RM'000	RM'000
<i>Carrying Amount</i>		
At 1 January / 31 December	95	95
Included in the above are:-		
Leasehold residential building, at fair value	95	95

The fair value of the investment properties has been determined based on valuations performed by independent professional valuers at the end of the reporting date using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location, and market trends. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. INVESTMENT PROPERTIES (CONT'D)

	Range 2025	2024
Price per square foot	RM121 – RM123	RM121 – RM123

The fair values of the investment properties are within level 2 of the fair value hierarchy.

There were no transfers between level 1 and level 2 during the financial year.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-current				
Other receivables:-				
Subsidiaries (a)	-	-	81,174	78,631
Current				
Other receivables:-				
Third parties	17,878	18,244	17	13
Subsidiaries (b)	-	-	206,427	211,764
Related parties (c)	108	221	-	9
	17,986	18,465	206,444	211,786
Allowance for impairment losses:-				
Third parties	(13,840)	(14,238)	-	-
	4,146	4,227	206,444	211,786
Deposits	1,260	1,365	21	28
Prepayments	445	1,531	-	-
	5,851	7,123	206,465	211,814
Total	5,851	7,123	287,639	290,445

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT (CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment losses:-				
At 1 January	14,238	14,238	-	-
Addition during the financial year (Note 26)	16	-	-	-
Written off during the financial year	(414)	-	-	-
At 31 December	13,840	14,238	-	-

- (a) The amount owing by subsidiaries (non-current) represent unsecured interest-free advances. The amount owing is not expected to be repayable within the next 12 months.
- (b) The amount owing by subsidiaries (current) represent unsecured interest-free advances and loans granted to finance acquisition and reclamation of land. The amounts owing are repayable on demand, except for an amount of RM95,698,176 (2024: RM95,698,176) which bears effective interest rate of cost of funds +1.75% (2024: cost of funds +1.75%) per annum.
- (c) The amounts owing by related parties (current) in which a director of the Company has substantial financial interest arising from rental and utility charges. The amounts owing has credit term of 30 days.

11. OTHER INVESTMENTS

	The Group	
	2025	2024
	RM'000	RM'000
Club membership, at cost	90	90

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. DEFERRED TAX (ASSETS)/LIABILITIES

	At 1.1.2025 RM'000	Recognised In Profit or Loss (Note 27) RM'000	At 31.12.2025 RM'000
The Group			
2025			
<i>Deferred Tax Liabilities</i>			
Inventory properties	96,420	(274)	96,146
<i>Deferred Tax Assets</i>			
Provisions	(1,041)	-	(1,041)
Unabsorbed capital allowances	(26)	-	(26)
Other temporary differences	(9,890)	-	(9,890)
	(10,957)	-	(10,957)
	85,463	(274)	85,189
2024			
<i>Deferred Tax Liabilities</i>			
Inventory properties	96,492	(72)	96,420
<i>Deferred Tax Assets</i>			
Property, plant and equipment	(1)	1	-
Provisions	(800)	(241)	(1,041)
Unabsorbed capital allowances	(44)	18	(26)
Unutilised tax losses	(643)	643	-
Other temporary differences	(10,834)	944	(9,890)
	(12,322)	1,365	(10,957)
	84,170	1,293	85,463

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

	The Group	
	2025	2024
	RM'000	RM'000
Represented by:-		
Deferred tax assets	(10,957)	(10,957)
Deferred tax liabilities	96,146	96,420
	85,189	85,463

The deferred tax assets on unused tax losses and provisions have been recognised by subsidiaries on the basis of their previous history of recording profits and to the extent that it is probable that future profits will be available against which the temporary differences can be utilised.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2025	2024
	RM'000	RM'000
Unused tax losses:		
- expires year of assessment 2028	69,194	69,716
- expires year of assessment 2029	330	11,849
- expires year of assessment 2031	3,858	4,078
- expires year of assessment 2033	1,479	7,271
- expires year of assessment 2035	12,573	-
Unabsorbed capital allowances	48	-
Other deductible temporary differences	15,197	2,823
	102,679	95,737

Certain comparative figures have been restated to reflect the revised tax losses carry forward and other temporary differences available to the Group.

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. INVENTORY PROPERTIES

	The Group	
	2025	2024
	RM'000	RM'000
Land held for property development	638,437	638,039
Property development costs	432,639	481,161
	1,071,076	1,119,200

(a) Land held for property development

	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
2025				
<i>Cost</i>				
At 1 January	218,614	236,931	182,494	638,039
Additions	-	-	398	398
At 31 December	218,614	236,931	182,892	638,437
2024				
<i>Cost</i>				
At 1 January	218,614	237,072	178,720	634,406
Additions	-	-	3,633	3,633
Reclassification	-	(141)	141	-
At 31 December	218,614	236,931	182,494	638,039

(b) Property development costs

	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
2025				
<i>Cumulative cost</i>				
At 1 January	210,290	46,484	544,837	801,611
Additions	-	-	17,249	17,249
Transfer to inventories	(8,984)	-	(19,032)	(28,016)
Projects completed	(23,811)	-	(66,296)	(90,107)
At 31 December	177,495	46,484	476,758	700,737

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. INVENTORY PROPERTIES (CONT'D)

(b) Property development costs (Cont'd)

	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
2025				
<i>Cumulative cost recognised in profit or loss</i>				
At 1 January	(29,185)	(38,471)	(252,794)	(320,450)
Additions	(5,964)	-	(31,791)	(37,755)
Projects completed	23,811	-	66,296	90,107
At 31 December	(11,338)	(38,471)	(218,289)	(268,098)
Carrying amount	166,157	8,013	258,469	432,639
2024				
<i>Cumulative cost</i>				
At 1 January	445,229	103,825	216,255	765,309
Additions	-	-	36,302	36,302
Reclassification	(234,939)	(57,341)	292,280	-
At 31 December	210,290	46,484	544,837	801,611
<i>Cumulative costs recognised in profit or loss</i>				
At 1 January	(12,734)	(38,169)	(210,552)	(261,455)
Additions	(16,451)	(302)	(42,242)	(58,995)
At 31 December	(29,185)	(38,471)	(252,794)	(320,450)
Carrying amount	181,105	8,013	292,043	481,161

- (c) Land held for property development and property development costs with total carrying amount of RM163,511,008 (2024: RM163,043,237) has been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 23 to the financial statements.
- (d) Included in property development costs and land held for property developments are borrowing costs capitalised during the financial year amounting to RM Nil (2024: RM5,604,461).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. INVENTORY PROPERTIES (CONT'D)

(e) Leasehold land registered under the name of a shareholder of the Company

By a Development Agreement dated 23 March 1999 between certain subsidiaries and Kumpulan Prasarana Rakyat Johor Sdn. Bhd. ("KPRJ"), a shareholder of the Company, these subsidiaries were granted beneficial ownership of various parcels of leasehold land. On 19 May 2006, the subsidiaries were exempted by the Securities Commission Malaysia from the requirement of registering the lands under the names of the subsidiaries. On 28 December 2006, titles to a portion of the leasehold lands were registered under the names of the subsidiaries. At the reporting date, leasehold land and development expenditure with carrying value of RM149,184,374 (2024: RM148,091,738) are registered under the name of KPRJ.

(f) Rehabilitation of abandoned project

Pursuant to a Development Agreement signed in 1999 ("DA") between Tebrau Bay Sdn. Bhd. ("TBSB"), a subsidiary of the Group, and Aset Nusantara Development Sdn. Bhd. ("ANDSB"), an associated company of the Group, ANDSB was granted power of attorney ("PA") to develop a parcel of the Group's land with carrying amount of RM19,245,000 (2024: RM19,245,000). The PA was terminated on 6 April 2020 as ANDSB was not able to fulfil the terms of the DA. ANDSB is currently undergoing liquidation and the development has been classified by the authorities as an abandoned project.

In 2015, TBSB entered into a Construction Agreement with the liquidator of ANDSB to rehabilitate the abandoned project. Construction work has slowed down due to incomplete information on the number of house buyers and amount of progress billings.

14. INVENTORIES

	The Group	
	2025	2024
	RM'000	RM'000
Completed properties held for sale	62,219	34,222
Inventories written down (Note 26)	(1,653)	-
	60,566	34,222
Recognised in profit or loss:-		
Inventories recognised as cost of sales	38,233	36,399
Amount written down to net realisable value	1,653	-
	39,886	36,399

- (a) The amount of inventories recognised as an expense in cost of sales was RM39,885,744 (2024: RM36,398,590).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. TRADE RECEIVABLES

	The Group	
	2025	2024
	RM'000	RM'000
Third parties	136,231	123,895
Related parties	-	29
	<u>136,231</u>	<u>123,924</u>
Allowance for impairment losses:-		
Third parties	(2,938)	(2,938)
	<u>133,293</u>	<u>120,986</u>

- (a) The Group's normal trade credit terms range from 30 to 60 (2024: 30 to 60) days.
- (b) Included in trade receivables are retention sums totalling RM32,186 (2024: RM32,186).
- (c) Included in trade receivables is an amount of RM91,540,076 (2024: RM91,540,076), which arose from a compulsory acquisition by the State Government of Johor Darul Ta'zim ("SGJ"). The receivable will be mainly settled by transfers of land of equivalent value from SGJ.

16. CONTRACT ASSETS/(LIABILITIES)

Contract Assets

	The Group	
	2025	2024
	RM'000	RM'000
Construction contracts	1,966	1,966
Marketing and management service contracts	719	556
Property development contracts	-	23,337
Incremental costs of obtaining contracts	8	1,780
	<u>2,693</u>	<u>27,639</u>
Allowance for impairment loss:-		
- construction contracts	(1,966)	(1,966)
	<u>727</u>	<u>25,673</u>

The movement in the loss allowances in respect of the contract assets are summarised below:-

	The Group	
	2025	2024
	RM'000	RM'000
At 1 January/31 December	<u>1,966</u>	<u>1,966</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

Contract Liabilities

	The Group	
	2025 RM'000	2024 RM'000
Construction contracts	(3,636)	(4,761)
Property development contracts	(664)	(232)
	<u>(4,300)</u>	<u>(4,993)</u>

- (a) The changes to contract assets and contract liabilities balances during the financial year are summarised as below:-

Construction Contracts

	The Group	
	2025 RM'000	2024 RM'000
At 1 January	(4,761)	11,922
Contract revenue recognised during the financial year	1,125	(12,797)
Billings to customers during the financial year (transferred to trade receivables)	-	(3,886)
At 31 December	<u>(3,636)</u>	<u>(4,761)</u>
Represented by:-		
Contract assets	-	-
Contract liabilities	<u>(3,636)</u>	<u>(4,761)</u>
	<u>(3,636)</u>	<u>(4,761)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (a) The changes to contract assets and contract liabilities balances during the financial year are summarised as below (Cont'd) :-

Marketing and Management Service Contracts

	The Group	
	2025 RM'000	2024 RM'000
At 1 January	556	307
Contract revenue recognised during the financial year	163	249
At 31 December	719	556
Represented by:-		
Contract assets	719	556

Property Development Contracts

	The Group	
	2025 RM'000	2024 RM'000
At 1 January	23,105	(13,265)
Property development revenue recognised during the financial year	24,024	68,829
Billings to customers during the financial year (transferred to trade receivables)	(47,793)	(32,459)
At 31 December	(664)	23,105
Represented by:-		
Contract assets	-	23,337
Contract liabilities	(664)	(232)
	(664)	23,105

- (b) The incremental costs of obtaining contracts primarily comprise sales commission and legal fee incurred to secure sales of property units. These costs are to be amortised over the period when the related revenue is recognised.
- (c) The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (d) The contract liabilities primarily relate to amounts billed for unfulfilled performance obligations. The amount will be recognised as revenue when the performance obligations are satisfied.
- (e) The transaction price allocated to unsatisfied and/or partially unsatisfied performance obligations as at the reporting date are as below:-

	The Group	
	2025	2024
	RM'000	RM'000
<u>Property development revenue</u>		
Within 1 year	-	20,302
<u>Construction revenue</u>		
Within 1 year	3,015	4,140
More than 1 year	28,999	28,999
	32,014	33,139
	32,014	53,441

17. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Short-term money market fund, at fair value	526	509	86	83

- (a) The funds invest mainly into corporate bond, deposits and money market instruments and thus have minimum exposure to changes in market value.
- (b) The weighted average effective rate at the end of the reporting period was ranging from 3.06% to 3.17% (2024: 3.18% to 3.58%) per annum. There is no maturity period for the short-term investments as these monies are callable on demand.

18. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 1.75% to 2.10% (2024: 2.00% to 2.45%) per annum and 2.00% (2024: 2.00%) per annum respectively. The fixed deposits have maturity periods ranging from 30 to 365 (2024: 30 to 365) days and 30 (2024: 30) days for the Group and the Company respectively.
- (b) Included in the fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM16,090,502 (2024: RM16,530,649) and RM1,838,192 (2024: RM1,802,704) which has been pledged to licensed bank as security for banking facilities granted to the Group and the Company respectively as disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM24,312,348 (2024: RM22,579,197) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002. The amount is held at call with banks and is available only to the subsidiaries involved in the property development activities.

20. SHARE CAPITAL

	The Group/The Company			
	2025	2024	2025	2024
	Number Of Shares ('000)		RM'000	
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January/31 December	921,128	921,128	766,884	766,884

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

21. TRADE PAYABLES

	The Group	
	2025	2024
	RM'000	RM'000
Non-current		
Related parties	26,008	26,008
Current		
Third parties	34,851	43,571
Related parties	2,086	2,467
	36,937	46,038
	62,945	72,046

- (a) The normal trade credit term granted to the Group ranging from 30 to 90 (2024: 30 to 90) days.
- (b) Included in the third parties and related parties are retention sums payables totalling RM7,971,823 (2024: RM9,618,152) and RM1,208,427 (2024: RM1,208,427) respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-current				
Other payables:-				
Related parties	9,374	9,503	-	-
Current				
Other payables:-				
Third parties	13,386	16,846	533	448
Related parties	267,865	270,370	24	149
Shareholder	1,824	1,824	1,824	1,824
	283,075	289,040	2,381	2,421
Deposits	17,729	17,517	-	-
Accruals	1,710	1,545	487	265
	302,514	308,102	2,868	2,686
Total	311,888	317,605	2,868	2,686

- (a) Included in amount owing to related parties (current) comprises of an unsecured interest free loan of RM267.83 million (2024: RM270.14 million) from a related party in which certain directors have substantial financial interests. As disclosed in Note 36(b) to the financial statements, the Company has signed a conditional settlement agreement with Rampai Fokus Sdn. Bhd. to propose to fully settle the loan by issuing new redeemable preference shares of the subsidiaries of the Company.
- (b) Included in amount owing to a related party (non-current) comprises an unsecured interest-free advances of RM9.37 million (2024: RM9.50 million) from a related party in which a director has substantial financial interests. The amounts owing is not expected to be repayable within the next 12 months.
- (c) Amount owing to related parties (current) in which a director has substantial financial interests and a shareholder represent unsecured interest-free advances. The amounts owing is repayable on demand.
- (d) On 3 April 2015, a subsidiary of the Company, namely Tebrau Bay Sdn. Bhd. ("TBSB") entered into a Sale and Purchase Agreement ("SPA") with Greenland Tebrau Sdn. Bhd. ("GTSB") to dispose 3 parcels of land for a consideration of RM2,373,079,000. Subsequently on 5 May 2017, TBSB and GTSB entered into a Supplementary Agreement ("SA") to vary, modify and amend certain terms and conditions of the SPA.

In 2017, the disposals of certain tranches of land were completed with revenue and cost of sales amounting to RM205,886,000 and RM35,133,000 respectively recognised upon fulfilment of conditions precedent.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22. OTHER PAYABLES AND ACCRUALS (CONT'D)

- (d) In February 2020, TBSB entered into a second supplemental agreement with GTSB to offset RM185,298,000 of the deposit received against the receivable relating to the completion of the sale of the first tranche of land completed in 2017. The SPA was deemed completed and the parties were released from any further obligations under the SPA or SA. The residual deposit of RM15,377,000 was retained by the Group and will be applied as part payment for any purchase of land from the Group by GTSB in future.

23. LOANS AND BORROWINGS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-current				
Hire purchase payables	929	388	-	-
Current				
Hire purchase payables	301	111	-	-
Revolving credit	97,651	97,651	97,651	97,651
Bank overdrafts	7,842	8,140	-	-
	105,794	105,902	97,651	97,651
Total loans and borrowings	106,723	106,290	97,651	97,651

Revolving credit

- (a) The revolving credit of the Group and the Company is secured by:-
- Legal charge over a freehold land in Mukim Plentong, Johor Bahru as disclosed in Note 13(c) to the financial statements;
 - Assignment and charge over a designated escrow account maintained with the bank into which any land sale proceeds is to be credited; and
 - Fixed deposit with licensed banks as disclosed in Note 18(b) to the financial statements.
- (b) The revolving credit is secured by a negative pledge that imposes certain covenants on the Group. The significant covenant of the revolving credit is the Group debt-to-equity ratio shall not exceed 0.75 times.
- (c) The revolving credit of the Group and the Company at the end of the reporting period bears floating interest rates of 5.61% (2024: 5.91%) per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. LOANS AND BORROWINGS (CONT'D)

Bank overdrafts

- (a) The bank overdrafts of the Group are secured by:-
- (i) Legal charge over a vacant leasehold land as disclosed in Note 13(c) to the financial statements;
 - (ii) Fixed deposit with licensed banks as disclosed in Note 18(b) to the financial statements; and
 - (iii) Corporate guarantee by the Company.
- (b) The bank overdrafts are secured by a negative pledge that imposes certain covenants on the subsidiary that have received this overdraft. The significant covenant of the bank overdrafts is the subsidiary's gearing ratio shall not exceed 2.5 times.
- (c) The bank overdrafts of the Group at the end of the reporting period bear floating interest rates ranging from 7.45% to 10.06% (2024: 7.70% to 10.31%) per annum.

Hire purchase

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicle under the hire purchase arrangements as disclosed in Note 8 to the financial statements. The hire purchase arrangements are expiring within 5 (2024: 5) years.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rate of 4.39% to 4.48% (2024: 4.46%)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24. PROVISIONS

	The Group	
	2025 RM'000	2024 RM'000
Non-current		
Provision for infrastructure costs		
At 1 January / 31 December	(a) 34,916	34,916
Current		
Provision for transaction costs		
At 1 January	3,306	2,766
Provision made during the financial year	460	8,776
Provision utilised during the financial year	(1,513)	(8,236)
At 31 December	2,253	3,306
Provision for project costs		
At 1 January / 31 December	3,643	3,643
Provision for liquidated ascertained damages		
At 1 January	3,013	4,770
Provision made during the financial year	192	478
Provision utilised during the financial year	(284)	(2,235)
At 31 December	2,921	3,013
	8,817	9,962
	43,733	44,878

- (a) The provision for infrastructure costs are estimated cost to be incurred relating to the land sales in the previous financial year. It was classified as non-current because the management does not foresee the cost to be realised within the normal operating cycle.
- (b) The provision for transaction costs represents the estimated legal fees and sales commission directly attributable to the sales of properties, for which invoices had not yet been received from the service providers as at the reporting date.
- (c) The provision for project costs represents the estimated costs to be incurred relating to the construction project in the previous financial year.
- (d) The provision for liquidated ascertained damages is recognised for estimated claims for late delivery of properties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

25. REVENUE

	The Group	
	2025	2024
	RM'000	RM'000
Revenue from Contracts with Customers		
<u>Recognised over time</u>		
Construction contracts	1,125	(12,797)
Marketing and management services rendered	163	249
Sales of development properties	22,133	65,355
<u>Recognised at a point in time</u>		
Sales of completed properties	-	48,944
Sales of development rights	20,000	-
	43,421	101,751

(a) The information on the unsatisfied performance obligations is disclosed in Note 16(e) to the financial statements.

(b) The revenue of the Group is derived entirely in Malaysia.

26. LOSS BEFORE TAXATION

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived at after charging:-				
Auditors' remuneration:				
- audit fees	305	312	100	100
- non-audit fees	230	265	230	265
- overprovision audit fees in prior year	-	(6)	-	-
Impairment loss:				
- investment in subsidiaries (Note 6)	-	-	-	34,931
- other receivables (Note 10)	16	-	-	-
Inventories written down (Note 14)	1,653	-	-	-
Depreciation of property, plant and equipment (Note 8)	489	422	21	47
Directors' fee and allowances	503	446	421	374
Directors' remuneration:-				
- salaries and bonuses	421	121	16	5
- defined contribution benefits	50	14	2	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26. LOSS BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived at after charging (Cont'd):-				
Loss on disposal of property, plant and equipment	-	43	-	-
Lease expenses:				
- short-term leases	61	101	24	41
- low value assets	20	22	6	6
Provisions (Note 24)	652	9,254	-	-
Staff costs (including other key management personnel as disclosed in Note 30)				
- short-term employee benefits	3,483	3,142	581	118
- defined contribution benefits	318	284	48	8
- others	257	156	46	29
Total interest expenses on financial liabilities that are not at fair value through profit or loss	6,221	927	112	117
And (crediting):-				
Gain on disposal of property, plant and equipment	(11)	(13)	-	-
Interest income on short term investment	(17)	(16)	(3)	(3)
Total interest income on financial assets measured at amortised cost	(534)	(614)	(35)	(36)
Rental income	(101)	(165)	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. TAX (INCOME)/EXPENSE

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current tax expense	-	1,283	-	-
- overprovision in the previous financial years	(75)	(375)	-	-
	<u>(75)</u>	<u>908</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 12):				
- origination and reversal of temporary differences	(274)	(34)	-	-
- underprovision in the previous financial year	-	1,327	-	-
	<u>(274)</u>	<u>1,293</u>	<u>-</u>	<u>-</u>
	<u>(349)</u>	<u>2,201</u>	<u>-</u>	<u>-</u>

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

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Loss before taxation	(18,637)	(17,162)	(3,049)	(37,109)
Tax at the statutory tax rate of 24% (2024: 24%)	(4,473)	(4,118)	(732)	(8,906)
Tax effects of:				
Non-taxable income	(2)	(129)	-	-
Non-deductible expenses	2,440	2,505	722	8,896
Deferred tax assets not recognised during the financial year	1,888	2,991	10	10
Reversal of deferred tax assets previously recognised	-	1,327	-	-
Utilisation of deferred tax assets previously not recognised	(127)	-	-	-
Overprovision of current income tax in the previous financial year	(75)	(375)	-	-
	<u>(349)</u>	<u>2,201</u>	<u>-</u>	<u>-</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. TAX (INCOME)/EXPENSE (CONT'D)

	The Group 2025	2024
	RM'000	RM'000
Income tax savings during the financial year arising from:-		
Utilisation of tax losses previously not recognised as deferred tax assets	(127)	-
	(127)	-

28. LOSS PER SHARE

	The Group 2025	2024
Loss after taxation attributable to owners of the Company (RM'000)	(18,288)	(19,363)
Weighted average number of ordinary shares in issue ('000)	921,128	921,128
Basis and diluted loss per share (sen)	(1.99)	(2.10)
	(1.99)	(2.10)

The Company has not issued any dilutive potential ordinary shares and hence, the diluted loss per share is equal to the basic loss per share.

29. CASH FLOW INFORMATION

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

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cost of property, plant and equipment purchased (Note 8)	1,146	3,839	29	7
Less: Acquired through hire purchase agreements (Note 29(b))	(974)	(587)	-	-
	172	3,252	29	7

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. CASH FLOW INFORMATION (CONT'D)

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

The Group 2025	At 1 January	Revolving Credit RM'000	Bank Overdrafts* RM'000	Hire Purchases and Accruals* RM'000	Other Payables and Accruals* RM'000	Total RM'000
<u>Changes in Financing Cash Flows</u>						
Repayment to related parties		-	-	-	(2,785)	(2,785)
Repayment of principal		-	-	(243)	-	(243)
Repayment of interests		(5,577)	(593)	(51)	-	(6,221)
<u>Other Changes</u>		(5,577)	(593)	(294)	(2,785)	(9,249)
Contra arrangement		-	-	-	151	151
Interest expenses recognised in profit or loss [^]		5,577	593	51	-	6,221
Acquisition of property, plant and equipment (Note 29(a))		-	-	974	-	974
At 31 December		5,577	593	1,025	151	7,346
		97,651	-	1,230	279,063	377,944

Bank overdraft form part of the cash and cash equivalents, therefore, no movement is presented.

* Other payables and accruals represent amount owing to related parties and amount owing to shareholder.

^ Interest expenses represent interest related to financing activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. CASH FLOW INFORMATION (CONT'D)

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

The Group 2024	RPS RM'000	Bridging Loan RM'000	Revolving Credit RM'000	Bank Overdrafts# RM'000	Hire Purchases RM'000	Other Payables and Accruals* RM'000	Total RM'000
At 1 January	9,500	1,327	100,000	-	-	308,811	419,638
<u>Changes in Financing Cash Flows</u>							
Advances from related parties	-	-	-	-	-	75	75
Repayment to related parties	-	-	-	-	-	(4,443)	(4,443)
Proceeds from drawdown	-	6,006	-	-	-	-	6,006
Repayment of principal	(9,500)	(7,333)	(2,349)	-	(88)	-	(19,270)
Repayment of interests	-	(15)	(6,096)	(635)	(21)	(1,065)	(7,832)
	(9,500)	(1,342)	(8,445)	(635)	(109)	(5,433)	(25,464)
<u>Other Changes</u>							
Interest expenses accrued under accruals	-	-	249	-	-	-	249
Contra arrangement	-	-	-	-	-	(21,694)	(21,694)
Interest expenses capitalised under inventory properties (Note 13(d))	-	-	5,604	-	-	-	5,604
Interest expenses recognised in profit or loss [^]	-	15	243	635	21	13	927
Acquisition of property, plant and equipment (Note 29(a))	-	-	-	-	587	-	587
At 31 December	-	15	6,096	635	608	(21,681)	(14,327)
	-	-	97,651	-	499	281,697	379,847

Bank overdraft form part of the cash and cash equivalents. Therefore, no bank overdraft balance is presented.

* Other payables and accruals represent amount owing to related parties, amount owing to shareholder and interest accrued for redeemable preference shares ("RPS").

[^] Interest expenses represent interest related to financing activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. CASH FLOW INFORMATION (CONT'D)

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

	Revolving Credit RM'000	Other Payables* RM'000	Total RM'000
The Company			
2025			
At 1 January	97,651	149	97,800
<u>Changes in Financing Cash Flows</u>			
Repayment to related parties	-	(293)	(293)
Repayment of interests	(5,576)	-	(5,576)
Repayment of interests backcharged to subsidiaries	5,464	-	5,464
	(112)	(293)	(405)
<u>Other Changes</u>			
Total interest expenses	5,576	-	5,576
Contra arrangement	-	168	168
Interest expenses backcharged to subsidiaries	(5,464)	-	(5,464)
	112	168	280
At 31 December	97,651	24	97,675
2024			
At 1 January	100,000	739	100,739
<u>Changes in Financing Cash Flows</u>			
Advances from related parties	-	63	63
Repayment to related parties	-	(653)	(653)
Repayment of principals	(2,349)	-	(2,349)
Repayment of interests	(5,847)	-	(5,847)
Repayment of interests backcharged to subsidiaries	5,730	-	5,730
	(2,466)	(590)	(3,056)
<u>Other Changes</u>			
Total interest expenses	5,847	-	5,847
Interest expenses backcharged to subsidiaries	(5,730)	-	(5,730)
	117	-	117
At 31 December	97,651	149	97,800

* Other payables represent amount owing to related parties and amount owing to shareholder.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Payment of short-term leases	61	101	24	41
Payment of low-value assets	20	22	6	6
	81	123	30	47

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

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	16,232	16,669	1,838	1,803
Cash and bank balances	31,066	26,633	116	223
Bank overdrafts (Note 23)	(7,842)	(8,140)	-	-
	39,456	35,162	1,954	2,026
Less: Fixed deposits pledged to licensed banks (Note 18)	(16,091)	(16,531)	(1,838)	(1,803)
	23,365	18,631	116	223

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees and allowances	421	374	421	374
- salaries, bonuses and other benefits	421	121	16	5
	842	495	437	379
Defined contribution benefits	50	14	2	1
	892	509	439	380
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- fees and allowances	82	72	-	-
Total directors' remuneration (Note 26)	974	581	439	380
(b) Other Key Management Personnel				
Short-term employee benefits:				
- salaries, bonuses and other benefits	912	808	34	31
Defined contribution benefits	91	59	3	2
Total compensation for other key management personnel	1,003	867	37	33

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM37,200 (2024: RM37,000).

31. RELATED PARTY DISCLOSURES

(a) Holding Companies and Subsidiaries

The holding companies and subsidiaries are disclosed in Note 2 and Note 6 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the statement of cash flows, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Subsidiaries</u>				
Interest expenses backcharged	-	-	5,464	5,730
<u>Related parties</u>				
Construction costs paid and payables	-	1,224	-	-
Landscaping works paid and payables	-	10	-	-
Rental paid and payables	45	74	21	-
Rental received and receivables	-	35	-	-
Other expenses paid and payables	14	-	-	-
Security expenses paid and payables	250	190	226	93

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in Notes 10, 15, 21 and 22 to the financial statements.

32. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services. The Group's reportable segments are as follows:-

- Property development – the development of residential and commercial properties; and
- Construction
- Other operations of the Group mainly comprise of property investment and investment holding, neither of which constitutes a separately reportable segment.

Director monitors the segment results (profit/(loss) before taxation) of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis but exclude tax assets/liabilities. Unallocated items comprise corporate assets, liabilities and expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS

	Property Development RM'000	Construction RM'000	Eliminations RM'000	Consolidated RM'000
2025				
Revenue				
External revenue	42,296	1,125	-	43,421
Results				
Segment loss	(3,697)	(3,078)	(2,676)	(9,451)
Finance costs				(6,235)
Unallocated expenses				(2,951)
Loss before taxation				(18,637)
Assets				
Segment assets	1,310,560	183,651	(77,837)	1,416,374
Investment properties				95
Other investments				90
Unallocated assets				(79,000)
Consolidated total assets				1,337,559
Liabilities				
Segment liabilities	(388,624)	(570,985)	325,803	(633,806)
Unallocated liabilities				(2,879)
Consolidated total liabilities				(636,685)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

	Property Development RM'000	Construction RM'000	Elimination RM'000	Consolidated RM'000
2025				
Other segment information				
Segment capital expenditure	1,117	-	-	1,117
Unallocated corporate capital expenditure				29
Consolidated total capital expenditure				1,146
Allocated expenses/(income):				
- Depreciation of property, plant and equipment	367	101	-	468
- Interest expenses	364	5,745	-	6,109
- Inventories written down	1,653	-	-	1,653
- Impairment loss on other receivables	-	16	-	16
- Gain on disposal of, property, plant and equipment	-	(11)	-	(11)
- Provision	652	-	-	652
- Interest income earned on short-term investment	(9)	(5)	-	(14)
Unallocated expenses/(income):				
- Depreciation of property, plant and equipment	-	-	-	21
- Interest expenses	-	-	-	112
- Interest income earned on short-term investment	-	-	-	(3)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

	Property Development RM'000	Construction RM'000	Eliminations RM'000	Consolidated RM'000
2024				
Revenue				
External revenue	114,548	(12,797)	-	101,751
Results				
Segment profit/(loss)	1,830	(15,661)	(204)	(14,035)
Finance costs				(1,045)
Unallocated expenses				(2,082)
Loss before taxation				(17,162)
Assets				
Segment assets	1,285,450	235,126	(150,661)	1,369,915
Investment properties				95
Other investments				90
Unallocated assets				2,244
Consolidated total assets				1,372,344
Liabilities				
Segment liabilities	(438,800)	(613,123)	401,440	(650,483)
Unallocated liabilities				(2,699)
Consolidated total liabilities				(653,182)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

	Property Development RM'000	Construction RM'000	Eliminations RM'000	Consolidated RM'000
2024				
Other segment information				
Segment capital expenditure	3,832	-	-	3,832
Unallocated corporate capital expenditure				7
Consolidated total capital expenditure				3,839
Allocated expenses/(income):				
- Depreciation of property, plant and equipment	142	232	-	374
- Interest expenses	365	445	-	810
- (Gain)/Loss on disposal of property, plant and equipment	(4)	34	-	30
- Provision	9,254	-	-	9,254
- Interest income earned on short-term investment	(8)	(5)	-	(13)
- Interest income	(250)	(328)	-	(578)
Unallocated expenses/(income):				
- Depreciation of property, plant and equipment	-	-	-	48
- Interest expenses	-	-	-	117
- Interest income earned on short-term investment	-	-	-	(3)
- Interest income	-	-	-	(36)

32.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

32.3 MAJOR CUSTOMERS

The following is major customer with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue		Segment
	2025 RM'000	2024 RM'000	
Customer #1	20,000	-	Property development

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. CAPITAL COMMITMENTS

There is no material capital commitment as at date of this report except for the following:-

	The Group	
	2025	2024
	RM'000	RM'000
Purchase of property, plant and equipment	-	1,016

34. CONTINGENT LIABILITIES

Writ and Statement of Claim by Tenaga Nasional Berhad (“TNB” or the “Plaintiff”)

On 17 November 2020, the Company (“First Defendant”) and its subsidiary, TBCSB (“Second Defendant”) received a Writ of Summons of Claim (“Claim”) filed by TNB at the High Court. In the Claim, TNB alleged that reclamation works undertaken by the Defendants in 2014 on Lot PTD 121257 Kampung Senibong have trespassed on the right of way (“ROW”) of TNB’s submarine cables. Another subsidiary, TBSB was included in the suit as a 3rd Defendant on 5 December 2021. The Claim seeks amongst others, the following reliefs:

- Perpetual injunction order against the Defendants from carrying out any activities on TNB’s ROW without TNB’s permission;
- Damages of RM76,565,000;
- General damages against losses suffered by the Plaintiff and economic loss damage to be assessed by the Court, together with interest at the rate of 5% per annum from the filing of the suit to the date of full settlement; and
- Other damages, costs and reliefs which the Court deems fit and proper.

The Group has appointed a counsel to defend the claim. The Company, TBCSB and TBSB had filed an application to strike out the Plaintiff’s suit (“Defendants’ Striking Out Applications”). The Group’s defence, amongst others, is that at all material times, the reclamation works are carried out by independent contractors outside of the Plaintiff’s ROW, in accordance with plans approved by the Johor Bahru City Council since 2000. Further, the Plaintiff has not provided any evidence of the nature, cause and quantum of the alleged damage to the submarine cables.

Due to the above, the Group is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and has accordingly disclosed the details of the Claim as a contingent liability.

The Court has on 1 February 2024 dismiss the Defendants’ Striking out Applications with cost of RM8,000 for each application awarded to TNB. Following that, this matter will proceed to full trial.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34. CONTINGENT LIABILITIES (CONT'D)

On 28 March 2024, TBCSB filed an ex parte application seeking leave to issue a 3rd party notice against the first-tier sub-contractor in respect of the reclamation works. On 1 July 2024, the High Court allowed the application and ordered for the 3rd party notice to be served on first-tier sub-contractor. Subsequently, the first-tier sub-contractor filed an ex parte application against its second-tier sub-contractor to commence 4th party proceedings in the same suit. However, the first-tier sub-contractor's application for directions against the second-tier sub-contractor was dismissed by the Court. The first-tier sub-contractor thereafter appealed against the dismissal, and the appeal was allowed by the Court of Appeal on 14 January 2026. Following this, the second-tier sub-contractor obtained leave from the High Court to proceed with 5th party proceedings. Accordingly, a 5th party notice and Statement of Claim were filed against its third-tier sub-contractor on 19 March 2026. The High Court has fixed the case management for the exchange of pleadings between the first-tier sub-contractor and second-tier sub-contractor on 6 May 2026.

On 7 October 2025, the Plaintiff filed a notice of application to amend the quantum of damages from RM76,564,759.77 to RM133,162,309.92. The Plaintiff's amendment application was dismissed by the High Court on 10 November 2025. The Plaintiff appealed to the Court of Appeal against the dismissal of the amendment application and filed an application to stay the High Court proceedings on quantum on 12 December 2025 pending the disposal of the Plaintiff's amendment appeal. On 20 January 2026, the Plaintiff's Stay Application was allowed by the High Court.

During the case management held on 24 February 2026 and concluded on 3 March 2026 in the Court of Appeal, the Court directed that the hearing of the Plaintiff's appeal of the dismissal of its application to amend the amended statement of claim to be fixed on 4 January 2027, and a further case management is scheduled on 22 December 2026, for the parties to update the Court on compliance with directions regarding the filing of written submissions, executive summaries and bundles of documents.

35. FINANCIAL INSTRUMENTS

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

35.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

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

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

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 23 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2025	2024
	RM'000	RM'000
Effects on Loss after Taxation		
Increase of 25 (2024: 25) basis points	(207)	(42)
Decrease of 25 (2024: 25) basis points	207	42

(iii) Equity Price Risk

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

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

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 2 (2024 - Nil) customers which constituted approximately 52% (2024 - Nil) of its trade receivables.

(ii) Maximum Exposure to Credit Risk

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

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM10,053,000 (2024: RM10,486,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the aging of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

For property development, purchasers are normally supported by end financiers which are reputable banks in Malaysia. For self-financed purchasers, the Group extends credit based upon careful evaluation of the purchaser's general background. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

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

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

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

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

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Trade Receivables and Contract Assets

The Group measures expected credit losses of trade receivables and contract assets individually.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Loss rates are determined for each individual trade receivable using past payment trends and other external information relating to the receivable that are publicly available. In determining the loss rates for each individual trade receivable, the Company also considers the value of properties sold that could be recovered upon termination of the contracts which will reduce credit loss arising from the trade receivables.

The expected loss rates are based on the payment profiles of progress billings over 12 months (2024 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. In determining these loss rates, the Company also considered differences between (a) economic conditions during the period over which the historic data has been collected, (b) current economic conditions and (c) the Company's view of economic conditions over the expected lives of the trade receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the reporting period.

There are purchasers where the Company manages its credit exposure by maintaining its name as the registered owner of the properties sold until full settlement by the self-financed purchasers or upon the purchasers obtaining their end-financing.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

The Group	Credit Impaired RM'000
Balance as at 31.12.2024 and 31.12.2025	4,904

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

The Group	Gross Amount RM'000	Individual Impairment RM'000	Carrying Amount RM'000
2025			
Current (not past due)	19,407	-	19,407
1 to 30 days past due	-	-	-
31 to 60 days past due	861	-	861
61 to 90 days past due	721	-	721
More than 90 days past due	20,764	-	20,764
Credit impaired	2,938	(2,938)	-
Trade receivables	44,691	(2,938)	41,753
Contract assets	2,693	(1,966)	727
	47,384	(4,904)	42,480

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

	Gross Amount RM'000	Individual Impairment RM'000	Carrying Amount RM'000
The Group			
2024			
Current (not past due)	8,872	-	8,872
1 to 30 days past due	2,045	-	2,045
31 to 60 days past due	557	-	557
61 to 90 days past due	4,515	-	4,515
More than 90 days past due	13,457	-	13,457
Credit impaired	2,938	(2,938)	-
Trade receivables	32,384	(2,938)	29,446
Contract assets	27,639	(1,966)	25,673
	60,023	(4,904)	55,119

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 15 and 16 to the financial statements respectively.

Other Receivables and Amount Owing by Related Parties

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Other Receivables and Amount Owing by Related Parties (Cont'd)

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

<u>Category</u>	<u>Definition of Category</u>	<u>Loss Allowance</u>
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Other Receivables and Amount Owing by Related Parties (Cont'd)

The reconciliations of allowance for impairment losses are as follows:-

The Group	Not performing RM'000
Balance at 1.1.2024/31.12.2024	14,238
Addition during the year	16
Written off during the financial year	(414)
Balance at 31.12.2025	<u>13,840</u>

The allowance for impairment losses is individually determined and relates mainly to other receivables of "underperforming" category who have not settled the debts on due dates but do not have objective evidence of impairment.

The Company

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing by Subsidiaries (Non-trade Balances)

The Company also applies the 3-stage general approach (see information on other receivables above) to measure expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

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

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

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

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

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Financial Guarantee Contracts

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

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

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

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

Allowance for Impairment Losses

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

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

Maturity Analysis

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

	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1-5 Years RM'000
The Group					
2025					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	-	62,945	62,945	36,937	26,008
Other payables and accruals	-	294,159	294,159	284,785	9,374
Revolving credit	5.61	97,651	97,651	97,651	-
Bank overdrafts	7.45 – 10.06	7,842	7,842	7,842	-
Hire purchase	4.39 – 4.48	1,230	1,316	339	977
		463,827	463,913	427,554	36,359

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1-5 Years RM'000
The Group					
2024					
<u>Non-derivative Financial Liabilities</u>					
Trade payables	-	72,046	72,046	46,038	26,008
Other payables and accruals	-	300,088	300,088	290,585	9,503
Revolving credit	5.91	97,651	97,651	97,651	-
Bank overdrafts	7.70 – 10.31	8,140	8,140	8,140	-
Hire purchase	4.46	499	547	132	415
		478,424	478,472	442,546	35,926

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

	<i>Contractual Interest Rate %</i>	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
The Company				
2025				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	2,868	2,868	2,868
Revolving credit	5.61	97,651	97,651	97,651
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	10,053	10,053
		100,519	110,572	110,572
2024				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	2,686	2,686	2,686
Revolving credit	5.91	97,651	97,651	97,651
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	10,486	10,486
		100,337	110,823	110,823

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.2 CAPITAL RISK MANAGEMENT

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

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity and debts. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the equity holders of the Company. The debt-to-equity ratio of the Group at the end of the reporting period are as follows:-

	The Group	
	2025	2024
	RM'000	RM'000
Loans and borrowings	106,723	106,290
Trade payables	62,945	72,046
Other payables and accruals	311,888	317,605
	481,556	495,941
Less: Cash and bank balances	(31,066)	(26,633)
Fixed deposits with licensed banks	(16,232)	(16,669)
Short-term investments	(526)	(509)
Net debts	433,732	452,130
Total equity	700,874	719,162
Total equity and net debts	1,134,606	1,171,292
Gearing ratio	38%	39%

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

The Group is also required to comply with certain loan covenants as disclosed in Note 23 to the financial statements, failing which, the banks may call an event of default. The Group has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments (Note 17)	526	509	86	83
<u>Amortised Cost</u>				
Trade receivables (Note 15)	41,753	29,446	-	-
Other receivables	4,146	4,227	287,618	290,417
Fixed deposits with licensed banks	16,232	16,669	1,838	1,803
Cash and bank balances	31,066	26,633	116	223
	<u>93,197</u>	<u>76,975</u>	<u>289,572</u>	<u>292,443</u>
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables (Note 21)	62,945	72,046	-	-
Other payables and accruals	294,159	300,088	2,868	2,686
Loans and borrowings (Note 23)	106,723	106,290	97,651	97,651
	<u>463,827</u>	<u>478,424</u>	<u>100,519</u>	<u>100,337</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	17	16	3	3
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	518	614	35	36
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(6,221)	(927)	(112)	(117)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.5 FAIR VALUE INFORMATION

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

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2025								
Financial Asset								
Short-term investments	-	526	-	-	-	-	526	526
Financial Liabilities								
Trade payables (non-current)	-	-	-	-	-	26,008	26,008	26,008
Other payables (non-current)	-	-	-	-	-	9,374	9,374	9,374
Hire purchase	-	-	-	-	-	1,177	1,177	1,230

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2024								
Financial Asset								
Short-term investments	-	509	-	-	-	-	509	509
Financial Liabilities								
Trade payables (non-current)	-	-	-	-	-	26,008	26,008	26,008
Other payables (non-current)	-	-	-	-	-	9,503	9,503	9,503
Hire purchase	-	-	-	-	-	520	520	499

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2025								
<u>Financial Assets</u>								
Other receivables (non-current)	-	-	-	-	-	81,174	81,174	81,174
Short-term investments	-	86	-	-	-	-	86	86
2024								
<u>Financial Assets</u>								
Other receivables (non-current)	-	-	-	-	-	78,631	78,631	78,631
Short-term investments	-	83	-	-	-	-	83	83

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. FINANCIAL INSTRUMENTS (CONT'D)

35.5 FAIR VALUE INFORMATION (CONT'D)

(a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of short-term investments is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- (ii) There were no transfers between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The level 3 fair value of other receivables and other payables is calculated based on the present value of the projected repayment of loans using the discount rate equal to the market interest rate.
- (ii) The fair value of hire purchase payables and term loans that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2025	2024
	%	%
Hire purchase payables	4.48	4.46

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Material Litigation

(i) Kerajaan Malaysia vs TBSB (suit no. JA-21NCvC-13-03/2022)

On 29 March 2022, TBSB was served with a Writ of Summon and Statement of Claim from Inland Revenue Board of Malaysia ("IRB"), in respect of unpaid income taxes amounting to RM10,831,595 plus 5% per annum on the alleged claims, costs and other reliefs as the Honourable Court deems fit and proper to grant.

The case management for the Main Suit and the hearing of the plaintiff's application under Order 14A of the Rules of Court 2012 (Disposal of Case on a Point of Law), which were originally fixed on 4 February 2026, did not proceed due to disruption to the Court's e-filing system.

On 22 April 2026, Kerajaan Malaysia's application under Order 14A of the Rules of Court 2012 (Disposal of Case on a Point of Law) was allowed by the High Court. The High Court has further directed the Kerajaan Malaysia to take the necessary next steps, as the allowance of the application under Order 14A does not automatically, dispose of the main suit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(a) Material Litigation (Cont'd)

(i) Kerajaan Malaysia vs TBSB (suit no. JA-21NCvC-13-03/2022) (Cont'd)

The suit is not expected to have any significant operational or financial impact to the Group as the said amount has been fully provided in the financial statements for the financial year ended 31 December 2021 except for any additional costs or interest granted (if any).

(ii) TBSB vs Kerajaan Malaysia (suit no. JA-21NCvC-18-11/2024)

On 20 November 2024, TBSB filed a writ of summons and statement of claim against the Kerajaan Malaysia, seeking, among other reliefs:

- (1) a declaration that RM170 million, claimed as compensation for the compulsory acquisition of TBSB's land by the Johor State Government, is not taxable under the Income Tax Act 1967;
- (2) a declaration that the tax assessment for the year of assessment 2015, amounting to RM37,750,015, imposed on TBSB is invalid, unlawful and in violation of TBSB's constitutional rights guaranteed under Article 13(2) of the Federal Constitution;
- (3) a refund of RM26,911,710, being the income tax paid by TBSB to the IRB for the year of assessment 2015; and
- (4) interest at the rate of 5% per annum on the sum of RM26,911,710, calculated from the date of judgment until full and final settlement of the same.

On 21 January 2025, the Kerajaan Malaysia filed an application to strike out TBSB's writ of summons and statement of claim ("Striking Out Application"). Subsequently, on 12 March 2025, the Kerajaan Malaysia filed an application to transfer the proceedings of this suit to have this suit and suit no. JA-21NCvC-13-03/2022 (as set out in Section (i) above) be heard together ("Transfer Application"), for, among others, the following reasons:

- (1) the issues to be tried in both suits are the same;
- (2) the parties involved in both suits are the same; and
- (3) the causes of action and the relief sought in both suits arise from the same matrix of facts.

The hearings for the Striking Out Application and the Transfer Application which were fixed on 4 February 2026, did not proceed due to disruption to the Court's e-filing system. On 22 April 2026, the Kerajaan Malaysia's striking out application was allowed by High Court and the present action was dismissed in its entirety.

The suit did not have any significant operational or financial impact to the Group during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) Paragraph 8.03A of the Main Market Listing Requirement ("MMLR")

The Company had announced that it has triggered Paragraph 8.03A of the MMLR of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), in particular Paragraph 8.03A(7)(b)(i) and the Company is considered as an affected listed issuer.

The Company has proposed to undertake the followings to regularise its financial condition in accordance with Paragraph 8.04(3) of MMLR of Bursa Malaysia:

(i) Proposed Debt Settlement

The Company had on 20 March 2025 and 22 September 2025 entered into a conditional settlement agreement and a supplemental agreement with Rampai Fokus Sdn. Bhd. ("RFSB"), a wholly-owned subsidiary of Danga Bay Sdn Bhd, which is in turn wholly-owned by Iskandar Waterfront Holdings Sdn Bhd, a major shareholder of the Company for the full settlement of the outstanding advances made available by RFSB to TBSB and TBCSB, the wholly-owned subsidiaries of the Company (collectively, the "IWCB Group") together with the interest accrued thereon, amount to an aggregate sum of RM268.4 million by way of the proposed issuance by TBSB and TBCSB of up to 225,200,000 new redeemable preference shares-class A in TBSB and up to 43,200,000 new redeemable preference shares-class A in TBCSB, respectively.

(ii) Proposed Capital Reduction

Proposed capital reduction involving the reduction of the issued share capital of the Company pursuant to Section 117 of the Companies Act, 2016 ("Act") via the cancellation of the Company's paid-up share capital which is substantially unrepresented by available assets amounting to RM120 million. The corresponding credit of RM120 million arising from such cancellation will be used to set-off against the accumulated losses of the Company while the remaining balance, if any, will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board at a later date and in the best interest of the Company as permitted by the relevant and applicable laws as well as the MMLR.

The Company had on 11 February 2026 obtained its shareholders' approval for the proposed regularisation plan at its extraordinary general meeting. The Company is currently in the midst of implementing the regularisation plan.

37. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

BBDSB, a wholly-owned subsidiary of the Company had on 13 February 2026 entered into a conditional sales and purchase agreement ("SPA") for the disposal of a piece of leasehold vacant land under Mukim of Plentong, District of Johor Bahru measuring approximately 16.43 acres ("Land") for a cash consideration of approximately RM71.55 million.

As the date of this report, the condition precedents to the SPA are still pending for fulfilment.

LIST OF PROPERTIES AS AT 31 DECEMBER 2025

No	Location (Lot No)	Location (Title No)	Tenure / Approximate Age of Building ("AOB")	Land Area (Ha)/ Built-up Area* (Sq metres)	Usage	Net Book Value (RM '000)	Date of Acquisition/ Revaluation	
1	Lot 156543	HS(D) 376617	Leasehold (Expiring 21 January 2097)	0.37	Building	19,269	16 April 2003	
2	Lot 182487	HS(D) 421955 (Danga Rivera)		6.65	Building			
3	Lot 182455	HS(D) 421925		4.91	Building			
4	PTD 194780	HS(D) 437858	Leasehold (Expiring 27 December 2105)	1.02	Building	13,900		
5	Lot 156551	PN 58276		0.47	Agriculture			
6	Lot 156556	PN 58277		0.57	Agriculture			
7	Lot 156561	PN 58278		4.08	Agriculture			
8	Lot 156562	HS(D) 437863		0.68	Agriculture			
9	Lot 182968	HS(D) 437868		3.24	Agriculture			
10	PTD 181985	HS(D) 375504	Leasehold (Expiring 21 January 2097)	0.53	Building	7,733		
11	PTD 181986	HS(D) 375505		0.56	Building			
12	PTD 181976	HS(D) 375498		0.64	Building			
13	PTD 181977	HS(D) 375499		0.83	Building			
14	PTD 196260	HS(D) 442852		0.81	Building			
15	PTD 196261	HS(D) 442853		0.37	Building			
16	PTD 196262	HS(D) 442854	6.20	Building	11,557			
17	Lot 156575	PN 57445	4.04	Agriculture				
18	PTD 194787	HS(D) 437865	1.86	Agriculture				
19	PTD 194788	HS(D) 437886	3.00	Agriculture	500,571			
20	PTD 194792	HS(D) 437843	13.15	Agriculture				
21	PTD 229065	HS(D) 565055	Freehold	21.03		Agriculture		
22	PTD 229066	HS(D) 565056	Leasehold (Expiring 31 May 2115)	0.20	Building	500,571		
23	PTD 229071	HS(D) 565057	Freehold	6.61	Building			
24	PTD 229072	HS(D) 565058		1.72	Building			
25	PTD 229074	HS(D) 565059		1.77	Building			
26	PTD 229075	HS(D) 565060		1.89	Building			
27	PTD 229076	HS(D) 565061	6.63	Building				
28	PTD 194793	HS(D) 437844	0.27	Building				
29	PTD 194795	HS(D) 437846	34.24	Agriculture				
30	PTD 194796	HS(D) 437869	4.69	Agriculture				
31	PTD 194797	HS(D) 437870	49.02	Agriculture				
32	PTD 173048	HS(D) 353200	Leasehold (Expiring 21 January 2097)	0.55	Building	124,264	27 July 2015	
33	PTD 222169	HS(D) 554724	Freehold	19.77	Building			
34	PTD 166482	HS(D) 351596	Rehabilitation					
35	PTD 166483	HS(D) 351597	Leasehold (Expiring 21 January 2097)	3.68	Building			122,680
36	PTD 166479	HS(D) 351593		7.12	Agriculture			
37	PTD 166480	HS(D) 351594		11.04	Agriculture			
38	Lot 150029	PN 52642		4.40	Agriculture			
39	Lot 150032	PN 52644		1.99	Agriculture			
40	PTD 166487	HS(D) 351599		1.74	Agriculture			
41	PTD 166488	HS(D) 351600	Leasehold (Expiring 21 January 2097)	1.19	Agriculture			203,524
42	Lot 150037	PN 52597		4.28	Agriculture			
43	Lot 150039	PN 52598		1.16	Agriculture			
44	PTD 194798	HS(D) 437847	Leasehold (Expiring 27 December 2105)	16.65	Agriculture	203,524		
45	PTD 194800	HS(D) 437849		10.95	Agriculture			
46	PTD 194801	HS(D) 437850		67.96	Agriculture			
47	PTD 194802	HS(D) 437851	10.86	Agriculture	40,490	3 March 2017		
48	Lot 733	Geran 90585	Freehold	1.83			Agriculture	
49	PTD 208037 HS(D) 581229 and PTD 207880 HS(D)581076		Freehold	1.61	Building	27,086	20 April 2017	
50	Part of lands held under Geran 358304 Lot 46868, Danga Walk Shop Office, Bandar Johor Bahru, District of Johor District		Freehold (AOB : 16 years)	312*	Building	1,557	20 May 2024	
51				310*	Building	1,557	29 May 2024	

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

Issued & Fully Paid Up Capital	:	RM767,141,014.29
Class of Shares	:	Ordinary Shares
Voting Right	:	One (1) vote per ordinary share

A. DISTRIBUTION OF SHAREHOLDINGS

Holdings	No. of Holders	Total Holdings	%
Less than 99	68	909	0.000
100 to 1,000	3,221	2,817,018	0.305
1,001 to 10,000	8,265	43,931,572	4.769
10,001 to 100,000	5,119	182,914,951	19.857
100,001 to less than 10% of issued shares	909	386,463,292	41.955
10% and above of issued shares	3	305,000,000	33.111
Total	18,308	921,127,742	100.000

B. LIST OF 30 LARGEST SHAREHOLDERS

No.	Name	No of shares held	%
1.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ISKANDAR WATERFRONT HOLDINGS SDN.BHD. (A/C 2)	138,000,000	14.982
2.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR ISKANDAR WATERFRONT HOLDINGS SDN BHD	102,000,000	11.073
3.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR ISKANDAR WATERFRONT HOLDINGS SDN. BHD.	65,000,000	7.056
4.	KUMPULAN PRASARANA RAKYAT JOHOR SDN BHD	27,761,400	3.014
5.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	17,856,500	1.939
6.	RHB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT GO YOONG CHANG	9,101,500	0.988
7.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	6,615,000	0.718
8.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	6,265,000	0.680
9.	RHB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LIM KANG HOO	5,540,700	0.602
10.	LIM SOON HUAT	5,500,000	0.597
11.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR PANG KONG HONG (PB)	3,500,000	0.380
12.	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	3,244,700	0.352
13.	LIM SZE HOCK	2,900,000	0.315
14.	ISKANDAR WATERFRONT HOLDINGS SDN. BHD.	2,846,069	0.309

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026 CONT'D

B. LIST OF 30 LARGEST SHAREHOLDERS cont'd

No.	Name	No of shares held	%
15.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MORUBINA HOLDINGS SDN BHD (E-IMO)	2,435,000	0.264
16.	NG CHIEW HWAY	2,400,000	0.261
17.	GAN CHENG SWEE	2,356,400	0.256
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOOI LEE YEE	2,300,000	0.250
19.	NG HING LEE	2,200,000	0.239
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD LING SOON HING	2,100,000	0.228
21.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY 2 PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC	2,026,200	0.220
22.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. LIM SOON HUAT (SL)	2,000,000	0.217
23.	LEE WEI SHOOI	2,000,000	0.217
24.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND ACXU FOR AMERICAN CENTURY ETF TRUST-AVANTIS EMERGING MARKETS EQUITY ETF	1,956,200	0.212
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIEW YUEN WAI	1,805,000	0.196
26.	PTESB GROUP SDN. BHD.	1,800,000	0.195
27.	SEE HOY CHAN PROPERTIES SENDIRIAN BERHAD	1,735,000	0.188
28.	TAN SAM ENG	1,697,200	0.184
29.	LAW KIING KIU	1,613,300	0.175
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG LOY HUAT (7000875)	1,600,000	0.174
	Total	428,155,169	46.481

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026 CONT'D

C. LIST OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
ISKANDAR WATERFRONT HOLDINGS SDN. BHD. ("IWH")	307,846,069 ^(c)	33.421	-	-
KUMPULAN PRASARANA RAKYAT JOHOR SDN BHD	27,761,400	3.013	307,846,069 ^(a)	33.421
CREDENCE RESOURCES SDN BHD ("CR")	-	-	307,846,069 ^(a)	33.421
TAN SRI DATO' LIM KANG HOO ("TSLKH")	5,540,700 ^(d)	0.601	307,846,069 ^(b)	33.421
Total	341,148,169	37.036	307,846,069	33.421

(a) Deemed interested in the shares held by IWH by virtue of its interest in IWH pursuant to Section 8 of the Act.

(b) Deemed interested in the shares held by IWH by virtue of his interest in IWH through CR pursuant to Section 8 of the Act.

(c) The shares held by IWH are pledged to certain financiers under securities accounts in the following manners:

No.	Name	No of shares held	%
1.	Amsec Nominees (Tempatan) Sdn Bhd	138,000,000	14.981
2.	Maybank Nominees (Tempatan) Sdn Bhd	102,000,000	11.073
3.	Kenanga Nominees (Tempatan) Sdn Bhd	65,000,000	7.056

(d) The shares held by TSLKH are pledged to RHB Nominees (Tempatan) Sdn Bhd under securities account.

D. LIST OF DIRECTORS' SHAREHOLDINGS IN THE COMPANY

Name of Directors	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
TAN SRI DATO' LIM KANG HOO	5,540,700	0.601	307,846,069 ^(a)	33.421

(a) Deemed interested in the shares held by IWH by virtue of his interest in IWH through CR pursuant to Section 8 of the Act.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds Raised From Corporate Exercise

There were no corporate proposals undertaken, that generated any proceeds for utilisation.

Material Contracts

There were no material contracts of the Company and its subsidiaries involving directors' and major shareholders' interest, either still subsisting at the end of the financial year ended 31 December 2025 or extend into since the end of the previous financial year.

Related Party Transactions

There were no related party transactions entered into by a subsidiary company of the Company involving Directors' and major shareholders' interest, either still subsisting at the financial year ended 31 December 2025, or which were entered into since the end of the previous financial year except as disclosed in Note 31 of the audited financial statements for the financial year ended 31 December 2025.

Contracts Relating to Loan

There were no contracts relating to a loan by the Company and its subsidiaries in respect of the preceding item.

Non-Audit Fees

The amount of non-audit fees incurred for services rendered to the Group and the Company by the External Auditors was RM230,000.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 RM'000	2024 RM'000
Revenue		43,421	101,751
Other income		1,163	268
Interest/Finance income		551	630
Total		45,135	102,649
Total Assets		1,337,559	1,372,344

ADDITIONAL COMPLIANCE INFORMATION CONT'D

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING cont'd

(b) **Business Activities**

Shariah Non-Compliant Activities	Remarks	Group	
		2025 RM'000	2024 RM'000
Interest income	Conventional	363	476
Other Shariah non-compliant activities (deemed non-compliant according to Shariah principles as determined by the SAC)	Gain on disposal of property, plant and equipment	11	13
Total		374	489

(b) **Component of Financial Position**

(i) Cash Component

Islamic Account/ Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Cash and bank balances		59	69
Short term investments		526	509
Fixed deposits		6,400	6,283
Total		6,985	6,861

Conventional Account/Instrument	Remarks	Group	
		2025 RM'000	2024 RM'000
Cash and bank balances		31,007	26,564
Short term investments		-	-
Fixed deposits		9,832	10,386
Total		40,839	36,950

ADDITIONAL COMPLIANCE INFORMATION CONT'D

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENIN cont'd

(b) **Component of Financial Position cont'd**

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 RM'000	2024 RM'000
Current			
Hire purchase payables		111	-
Revolving credit		97,651	97,651
Bank overdraft		2,407	2,427
Total Debts		100,169	100,078

Non-current

Hire purchase payables		397	-
Total Debts		397	-

Conventional Borrowings

Conventional Borrowings	Remarks	Group	
		2025 RM'000	2024 RM'000
Current			
Hire purchase payables		190	111
Bank overdraft		5,435	5,713
Total Debts		5,625	5,824
Non-current			
Hire purchase payables		532	388
Total Debts		532	388

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 57th Annual General Meeting of ISKANDAR WATERFRONT CITY BERHAD [196801000661 (8256-A)] will be held at Pod 3&4, Level 41, Capri by Fraser Johor Bahru, Menara Tiga Serangkai, Jalan Tengku Azizah, 80300 Johor Bahru, Johor on Wednesday, 24 June 2026 at 10.00 a.m. for the following purposes:-

AGENDA

Ordinary Business

1.	To receive the Audited Financial Statements for the year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.	[Please refer to Explanatory Note 1(Agenda 1)]
2.	To re-elect the following Directors retiring in accordance with the Company's Constitution: - (i) Mr Lim Chen Heng – Clause 76(3) (ii) Mr Chin Wai Kit – Clause 76(3) (iii) Ms Soon Chooi Mee – Clause 78	(Resolution 1) (Resolution 2) (Resolution 3)
3.	To approve the payment of Directors' fees, allowances and any other benefits payable not exceeding RM1,300,000 for the Financial Year ending 31 December 2026.	(Resolution 4)
4.	To consider and if thought fit, to pass the following resolution : "THAT Messrs. Daxin KF&C PLT be appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Crowe PLT and to hold office until the conclusion of the next Annual General Meeting at a fee to be determined by the Directors at a later date."	(Resolution 5)

Special Business

To consider and, if thought fit, to pass with or without any modification(s), the following ordinary resolutions:-

5.	<p>- AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</p> <p>"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the "Act"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate")."</p>	(Resolution 6)
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NOTICE OF ANNUAL GENERAL MEETING CONT'D

Special Business cont'd

5. **- AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 cont'd**

(Resolution 6)

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting ("AGM") of the Company held after the approval was given;
- b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Malaysia for the listing of and quotation for such New Shares on the Main Market of Bursa Malaysia.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

NOTICE OF ANNUAL GENERAL MEETING CONT'D

Special Business cont'd

6. **- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH THE RELATED PARTIES AS DISCLOSED UNDER PARAGRAPH 3.3 (1 TO 4) OF THE CIRCULAR TO SHAREHOLDERS**

(Resolution 7)

"THAT approval be and is hereby given pursuant to Paragraph 10.09 and Practice Note 12 of the Bursa Malaysia Main Market Listing Requirements for the Company and its subsidiaries to enter into the category of Recurrent Related Party Transactions of a revenue or trading nature as set out in Paragraph 3.4 of the Circular to Shareholders dated 30 April 2026 with those Related Parties as set out in paragraph 3.3 which are necessary for their day-to-day operations, in the ordinary course of business made on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders; AND THAT the authority conferred by this Mandate shall commence immediately upon the passing of this Resolution and is subject to annual renewal. In this respect, the authority shall continue to be in force until:

- i. the conclusion of the next AGM of the Company at which time the authority shall lapse unless the Authority is renewed by a Resolution passed at that AGM;
- ii. the expiration of the period within which the next AGM after that date, is required to be held pursuant to Section 340 of the Act but shall not extend to such extension as may be allowed pursuant to Section 340 of the Companies Act 2016; or
- iii. revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

FURTHER THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things including executing such documents as may be required to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution".

NOTICE OF ANNUAL GENERAL MEETING CONT'D

Special Business cont'd

- | | |
|----|---|
| 7. | To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016. |
|----|---|

BY ORDER OF THE BOARD

LIM AIK YONG (F) (MAICSA 7054965 / SSM PC No.202008000995)
WONG CHEE YIN (F) (MAICSA 7023530) / SSM PC No. 202008001953)
Secretaries
JOHOR BAHRU
30 April 2026

Notes:

- A member entitled to participate and vote at the meeting is entitled to appoint not more than two proxies to participate and vote in his stead. A proxy need not be a member of the Company.*
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.*
- The Proxy Form must be deposited with the Company Secretary at the Registered Office, L2-02, 1 Medini Hub, Persiaran Medini Utara 3, Medini Iskandar, 79000 Nusajaya, Johor, Malaysia or lodge electronically via ir@iwcity.com.my, not less than 48 hours before the time set for the Meeting.*
- For the purpose of determining a member who shall be entitled to attend the 57th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 55(2) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a general meeting Record of Depositor as at 15 June 2026. Only a depositor whose name appears therein shall be entitled to attend the said meeting or appoint a proxy to participate and/or vote on his stead.*
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.*

NOTICE OF ANNUAL GENERAL MEETING CONT'D

Notes: cont'd

Explanatory Notes:

1. Agenda 1

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 and the Company's Constitution do not require a formal approval of the Shareholders and hence, is not put forward for voting.

2. Resolution 1 to 3:

Re-election of Directors

Clause 76(3) of the Company's Constitution expressly states that at the Annual General Meeting ("AGM") in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office and be eligible for re-election. Clause 78 expressly stated that any director so appointed to fill a casual vacancy and an addition to the existing directors shall hold office only until the next AGM and shall then be eligible for re-election.

Pursuant to Clause 76(3) and Clause 78, Mr Lim Chen Heng, Mr Chin Wai Kit and Ms Soon Chooi Mee are standing for re-election at this AGM.

The profiles of the Directors standing for re-election are provided on pages 22 to 25 of the Board of Directors' Profile in the 2025 Annual Report.

The Nomination Committee ("NC") of the Company has assessed the criteria, performance and contribution of Mr Lim Chen Heng, Mr Chin Wai Kit and Ms Soon Chooi Mee and recommended for their re-election. The Board endorsed the NC's recommendation and make justification that Mr Lim Chen Heng, Mr Chin Wai Kit and Ms Soon Chooi Mee be re-elected as Directors of the Company.

3. Resolution 4:

Payment of Directors' fees, allowances and any other benefits payable

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the following payment of Directors' fees, allowances and any other benefits payable not exceeding RM1,300,000 for the Financial Year ending 31 December 2026.

In determining the estimated total amount of Directors' Fees and Benefits payable for the Directors of the Company, the Board has considered various factors including the number of scheduled meetings for the Board, Board Committees, Board of Subsidiaries and Management Committees as well as the number of Directors involved in these meetings based on the current number of Directors and has included additional provisional sum for future appointment of Directors of the Company on the Boards of Subsidiaries and increase in number of Board and committee meetings due to business expansion.

NOTICE OF ANNUAL GENERAL MEETING CONT'D

Notes: cont'd

Explanatory Notes:

4. Resolution 5:

Appointment of Messrs. Daxin KF&C PLT as auditors and to authorise the Directors to fix their remuneration

On 27 February 2026, Messrs. Crowe Malaysia PLT has notified the Company that they do not wish to seek for re-appointment at the Fifty-Seventh Annual General Meeting ("57th AGM"). Pursuant to Section 273(b) of the Act, Messrs Crowe Malaysia PLT shall cease as Auditors of the Company at the conclusion of the 57th AGM.

In this regards, the Company had on 22 April 2026 received a Notice of Nomination from Iskandar Waterfront Holdings Sdn Bhd, a major shareholder of the Company for the proposed appointment of Messrs. Daxin KF&C PLT as Auditors of the Company for the financial year ending 31 December 2026 pursuant to Section 271(4) of the Companies Act 2016 in place of the retiring Auditors, Messrs. Crowe Malaysia PLT, and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors.

The Audit Committee had met and carried out an assessment of the suitability and independence of Messrs. Daxin KF&C PLT, including a review of their transparency report, and had recommended their appointment to the Board. The Board, having considered the recommendation of the Audit Committee, concurred with the same and recommends that the proposed appointment of Messrs. Daxin KF&C PLT be tabled to the shareholders for approval at the 57th AGM of the Company.

5. Resolution 6:

Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed ordinary resolution no. 6, if passed, will empower the Directors of the Company from the date of the above meeting until the next AGM, unless earlier revoked or varied at a general meeting, to issue shares in the Company up to an aggregate number not exceeding ten per centum (10.0%) of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company

The renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.

The Company had not issue and allot any new ordinary shares under the mandate granted to the Directors at the last AGM of the Company held on 25 June 2025.

NOTICE OF ANNUAL GENERAL MEETING CONT'D

Notes: cont'd

Explanatory Notes:

6. *Resolution 7:*

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature

The Ordinary Resolution No. 7 if passed, will authorise the Company and each of its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature in their ordinary course of business. This authority, unless revoked or varied by the shareholders of the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. There is no person seeking for election as Director of the Company at this Annual General Meeting except for the following Directors standing for re-election at the 57th Annual General Meeting of the Company as follows:

- i. Mr Lim Chen Heng (Executive Director);
- ii. Mr Chin Wai Kit (Independent Non-Executive Director); and
- iii. Ms Soon Chooi Mee (Independent Non-Executive Director).

The details of the Directors who are standing for re-election are set out in the Profile of the Board of Directors in this Annual Report.

Information on securities holdings in the Company and its subsidiaries by the directors standing for re-election are set out in the Statement of Directors' Interests in the Company and related corporation on page 98.

2. Attendance of Directors at Board Meetings held during the financial year ended 31 December 2025

A total of seven (7) Board of Directors' Meetings were held during the financial year ended 31 December 2025, at the Company's Meeting Room of Ground Floor, #G08, Block 8, Danga Bay, Jalan Skudai, 80200 Johor Bahru and via Zoom. The details of attendance of Directors at the Board Meeting are disclosed in the Corporate Governance Overview Statement in this Annual Report.

3. Date, time and Place of the 57th Annual General Meeting

Date : Wednesday, 24 June 2026

Time : 10.00 a.m.

Place : Pod 3&4, Level 41,
Capri by Fraser Johor Bahru
Menara Tiga Serangkai
Jalan Tengku Azizah
80300 Johor Bahru
Johor Darul Ta'zim

FORM OF PROXY

ISKANDAR WATERFRONT CITY BERHAD [196801000661 (8256-A)]
 (Incorporated in Malaysia)

CDS ACCOUNT NO	NO. OF SHARES HELD

I/We (I.C No.)
 of
 (or attorney of the said) a Member/Members of
ISKANDAR WATERFRONT CITY BERHAD [196801000661 (8256-A)] hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email address and contact number			

and / or (delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email address and contact number			

or failing him, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 57th Annual General Meeting of the Company to be held at Pod 3&4, Level 41, Capri by Fraser Johor Bahru, Menara Tiga Serangkai, Jalan Tengku Azizah, 80300 Johor Bahru, Johor on Wednesday, 24 June 2026 at 10.00 a.m. and at any adjournment thereof, and to vote as indicated below:-

NO.	RESOLUTION	FOR	AGAINST
Ordinary Business			
1.	Re-election of Director – Mr Lim Chen Heng		
2.	Re-election of Director – Mr Chin Wai Kit		
3.	Re-election of Director – Ms Soon Chooi Mee		
4.	To approve the payment of Directors’ fees, allowances and any other benefits payable for the Financial Year ending 31 December 2026		
5.	Appointment of Auditors		
Special Business			
6.	Authority to Issue Shares Pursuant to Section 75 & 76 of the Companies Act 2016.		
7.	Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature		

(Please indicate with an “x” in the spaces provided how you wish your votes to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion).

Signed this _____ day of _____ 2026

 Signature of Member(s)/Common Seal
 Contact No.:

Notes:

1. A member entitled to participate and vote at the meeting is entitled to appoint not more than two proxies to participate and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
6. The Proxy Form must be deposited with the Company Secretary at the Registered Office, L2-02, 1 Medini Hub, Persiaran Medini Utara 3, Medini Iskandar, 79000 Nusajaya, Johor, Malaysia or be lodged electronically via ir.iwcity.com.my, not less than 48 hours before the time set for the Meeting.
7. For the purpose of determining a member who shall be entitled to attend the 57th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 55(2) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a general meeting Record of Depositor as at 15 June 2026. Only a depositor whose name appears therein shall be entitled to attend the said meeting or appoint a proxy to participate and/or vote on his stead.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 57th AGM dated 30 April 2026.

Fold along this line (1)

**Affix
Stamp**

**THE COMPANY SECRETARY
ISKANDAR WATERFRONT CITY BERHAD**

L2-02, 1 Medini Hub
Persiaran Medini Utara 3,
Medini Iskandar
79000 Nusajaya, Johor, Malaysia

Fold along this line (2)



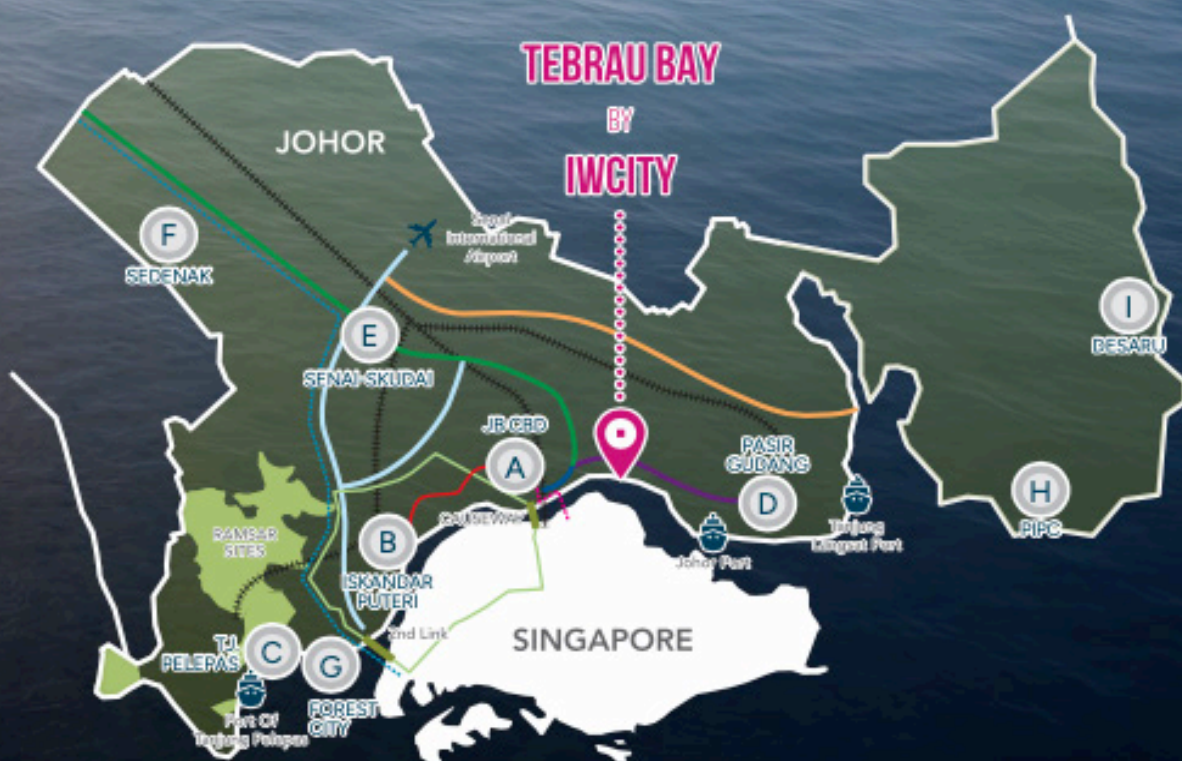
Unveiling An Exciting New Development Waterfront Living @

TEBRAU BAY

by



IWCITY
Iskandar Waterfront City Berhad
19691000661 (8236-A)





#G08, Block 8, Danga Bay, Jalan Skudai,
80200 Johor Bahru, Johor, Malaysia.

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