Sustainability Statement (cont'd.)

Performance Summary Data 2025

Bursa Malaysia Common Sustainability Maters (CSM) Indicators

Bursa Code	Indicator	Unit	2025
Anti-corruption			
C1(a)	Percentage of employees who have received training on anti-corruption by employee category	Percentage (%)	100%
	Senior Management	Percentage (%)	100%
	Executive	Percentage (%)	100%
	Non-Executive	Percentage (%)	100%
C1(b)	Percentage of operations assessed for corruption-related risks	Percentage (%)	100%
C1 (c)	Confirmed incidents of corruption and action taken	Number	0.00
Community/Society			
C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	4,758,546.74
C2 (b)	Total number of beneficiaries of the investment in communities	Number	11,425
C3 (a)	Percentage of employees by gender and age group, for each employee category		
	By Employee Category		
	Senior Management	Number	12
	Executive	Number	18
	Non-Executive	Number	124
	By Gender		
	Male	Percentage (%)	69%
	Female	Percentage (%)	31%
	By Age		
	<30	Percentage (%)	4%
	30-50	Percentage (%)	48%
	>50	Percentage (%)	48%
	Senior Management	Number	12
	Male	Percentage (%)	83%
	Female	Percentage (%)	17%
	<30	Percentage (%)	0%
	30-50	Percentage (%)	17%
	>50	Percentage (%)	83%

Sustainability Statement (cont'd.)

Performance Summary Data 2025 (cont'd)

Bursa Malaysia Common Sustainability Maters (CSM) Indicators (cont'd)

Bursa Code	Indicator	Unit	2025
Community/Society (cont'd)			
C3 (a)	**Executive**	Number	18
	Male	Percentage (%)	50%
	Female	Percentage (%)	50%
	<30	Percentage (%)	0%
	30-50	Percentage (%)	33%
	>50	Percentage (%)	67%
	Non-Executive	Number	124
	Male	Percentage (%)	70%
	Female	Percentage (%)	30%
	<30	Percentage (%)	5%
	30-50	Percentage (%)	53%
	>50	Percentage (%)	42%
	Percentage of directors by gender and age group		
	By Gender		
	Male	Percentage (%)	67%
	Female	Percentage (%)	33%
	By Age		
	<30	Percentage (%)	0%
	30-50	Percentage (%)	17%
	>50	Percentage (%)	83%
Energy management			
C4 (a)	Total energy consumption	GJ	8,473,072.81
Health and safety			
C5 (a)	Number of work-related fatalities	Number	0
C5 (b)	Lost time incident rate	Rate	0
C5 (c)	Number of employees trained on health and safety standards	Number	419
Labour practices and standards			
C6 (a)	Total hours of training by employee category	Hours	1,042
	Senior Management	Hours	93
	Management	Hours	287.5
	Executive	Hours	424.5
	Non-Executive	Hours	237

Sustainability Statement (cont'd.)

Performance Summary Data 2025 (cont'd)

Bursa Malaysia Common Sustainability Maters (CSM) Indicators (cont'd)

Bursa Code	Indicator	Unit	2025
Labour practices and standards (cont'd)			
C6 (b)	Percentage of employees that are contractors or temporary staff	Percentage (%)	11%
C6 (c)	Total number of employee turnover by employee category	Number	9
	Senior Management	Number	1
	Management	Number	2
	Executive	Number	4
	Non-Executive	Number	2
C6 (d)	Number of substantiated complaints concerning human rights violations	Number	0
Supply chain management			
C7 (a)	Proportion of spending on local suppliers		
Data privacy and security			
C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Water			
C9 (a)	Total volume of water used	Megalitres	22,412.00
Waste management			
C10 (a)	Total waste generated, and a breakdown of the following:	tonnes	3.55
	(i) total waste diverted from disposal	tonnes	0.93
	ii) total waste directed to disposal	tonnes	2.62
Emissions management			
C11 (a)	Scope 1 emissions in tonnes of CO_2e	CO_2e	569,163.12
C11 (b)	Scope 2 emissions in tonnes of CO_2e	CO_2e	458.22
C11 (c)	Scope 3 emissions in tonnes of CO_2e	CO_2e	193.66

Sustainability Statement (cont'd.)

Coastal Contracts Bhd
IFRS S2

Date & Time: 2026-04-27 12:50:22
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	589,163.12	0	No assurance
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	458.22	0	No assurance
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	60.30	0	No assurance
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	133.36	0	No assurance
Climate Risk Management	Physical Risks 1) Description of Risks 2) Time Horizon of Risks 3) Impacted Business Activities and Value Chain 4) Operational impact 5) Current Mitigation 6) Anticipated Actions 7) Potential Financial Implications	NA	Section 1.5.2 Climate Strategy	NA	No assurance
Footnote Sustainability Matter	This row has been added.				
Climate Risk Management	Transitional Risks: 1) Description of Risks 2) Time Horizon of Risks 3) Impacted Business Activities and Value Chain 4) Operational impact 5) Current Mitigation 6) Anticipated Actions 7) Potential Financial Implications	NA	Section 1.5.2 Climate Strategy	NA	No assurance
Footnote Sustainability Matter	This row has been added.				

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-27 12:50:22

Audit Committee Report
For The Financial Year Ended 31 December 2025

The Audit Committee was established on 2 December 2002.

The Board aims to ensure that the quarterly reports, annual financial statements, the annual review of operations in the annual report are presented in a manner which provides a balanced and comprehensive assessment of the Group's performance. The Audit Committee has been delegated with the responsibility to review the quarterly reports of the Group, focusing particularly on compliance with accounting standards and other legal requirements.

In the course of audit of the Group's financial statements, the external auditors would highlight to the Audit Committee and the Board, matters that require the Board's attention. Audit Committee meetings are attended by the external auditors for purposes of presenting their audit plan and for presenting their comments on the audited financial statements. At least once a year, these meetings are held without the presence of the management of the Company to ensure that the external auditors can freely discuss and express their opinion on any matter to the Audit Committee. In addition, the external auditors are invited to attend the AGM of the Company and are required to be available to answer shareholders' questions on the conduct of the statutory audit and contents of their audit report.

To assess the independence of External Auditors, the Audit Committee will seek assurance from the External Auditors, confirming that they are, and have been independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants. In this regard, the Audit Committee having assessed the independence of Messrs. Crowe Malaysia PLT as External Auditors of the Company and reviewed the level of non-audit services rendered by Crowe Malaysia PLT to the Company for the financial year under review, is satisfied with the competency and audit independence of Crowe Malaysia PLT and recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the next Annual General Meeting.

The Audit Committee comprises of the following members:

Name	Designation	Directorship
Teo Gim Suan (Appointed on 1 Sep 2025)	Chairman	Independent Non-Executive Director
Jacob O Pang Su Yin (Resigned on 1 Aug 2025)	Chairman	Independent Non-Executive Director
Hj. Ir. Intizam Bin Ayub	Member	Independent Non-Executive Director
Seeto Yee @ Seeto Tin Yee	Member	Independent Non-Executive Director

TERMS OF REFERENCE

The term of reference of the Audit Committee are available for reference at www.coastalcontracts.com.

AUDIT COMMITTEE MEETING

The Audit Committee held five (5) meetings during the financial year from 1 January 2025 to 31 December 2025. These meetings were held at the registered office on 28 February 2025, 16 April 2025, 27 May 2025, 27 August 2025 and 27 November 2025. Details of the attendance of the meetings by the Committee Members are as follows:

Name	No. of Meetings Attended	% of Meetings Attended
Teo Gim Suan	1/1	100%
Jacob O Pang Su Yin	3/3	100%
Hj. Ir. Intizam Bin Ayub	5/5	100%
Seeto Yee @ Seeto Tin Yee	5/5	100%

Audit Committee Report
For The Financial Year Ended 31 December 2025 (cont'd.)

SUMMARY OF WORK OF THE AUDIT COMMITTEE

The activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year are summarised as follows:

i) Reviewed the external auditors' scope of work and their audit plan.
ii) Reviewed with the external auditors the results of their audit, the audit report and recommendations in respect of improvements in internal control procedures noted in the course of their audit.
iii) Reviewed and approved the internal audit plan presented by the internal auditors.
iv) Reviewed with the internal auditors the internal audit report.
v) Reviewed the Annual Report, the audited financial statements of the Company and the Group for the financial year ended 31 December 2025 prior to submission to the Board for consideration and approval. The review was to ensure that the audited financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.
vi) Reviewed the Company's compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.
vii) Reviewed the quarterly unaudited financial statements and the explanatory notes thereon and recommend to the Board for approval.
viii) Reviewed the related party transactions entered into by the Group.
ix) Reviewed the application of corporate governance principles and the extent of the Group's compliance with the best practices set out under the Malaysian Code on Corporate Governance 2021 for the purpose of preparing the Corporate Governance Statement pursuant to the Listing Requirements.
x) Reviewed the Risk Management Framework and risk register of the Group, including corruption risks (i.e. investigation of whistleblowing reports).

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Board has engaged the services of an independent professional firm to carry out the internal audit function of the Group, to provide independent assurance and assist the Audit Committee in discharging its duties and responsibilities. The functions of the internal audit include the review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Group.

During the financial year, the internal audit function was performed by an independent professional firm to identify and assess the system of internal controls of the Group. Areas for improvement and recommendations for Management on the weaknesses in internal control were highlighted. The system of internal controls was satisfactory and has not resulted in any material losses, contingencies and uncertainties that would require disclosures in the Group's Annual Report.

A summary of the activities of the internal audit function for the financial year ended 31 December 2025 is as follows:

i) Performed audit work in accordance with the pre-approved internal audit plan.
ii) Carried out assessment and test of the internal controls within the Group.
iii) Reviewed and reported on the effectiveness and adequacy of the existing internal control policies and procedures.
iv) Provided recommendations for the improvement of the internal control policies and procedures.

STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME

The Company has established an Employees' Share Option Scheme ("ESOS") for a period of five (5) years effective from 16 December 2021. The ESOS was approved by shareholders on 16 December 2021 and will be governed by the ESOS By-Laws. The Company had on 16 December 2021 granted 49,024,800 share options under the ESOS. The options shall expire on 15 December 2026.

The ESOS Committee which has been formed to administer the ESOS, comprises of three (3) members that consists of two (2) Executive Directors and the Head of Human Resource Department. The ESOS Committee is primarily responsible for recommending to the Board, the criteria and allocation of any ESOS options to be granted to eligible employees and directors of the Company and its subsidiaries and ensuring that all exercises of ESOS options are in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the ESOS By-Laws and Company's Constitution. The ESOS Committee shall meet whenever necessary to fulfil its functions.

Audit Committee Report
For The Financial Year Ended 31 December 2025 (cont'd.)

STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME (cont'd)

The option prices and the details in the movement of the options granted are as follows:

		Number of Options Over Unissued Ordinary Shares			
Date of Offer	**Exercise Price**	**1.1.2025**	**Forfeited**	**Exercised**	**31.12.2025**
16 December 2021	RM0.99	33,686,110	(101,300)	(9,053,790)	24,531,020

The options which were forfeited during the financial year were due to resignations of employees.

The details of the options, held by the Directors pursuant to the Company's ESOS in respect of the financial year ended 31 December 2025 are as follows:

	Number of Options Over Unissued Ordinary Shares			
Name of Director	**Balance as of 1.1.2025**	**Granted**	**Exercised**	**Balance as of 31.12.2025**
Executive Directors				
Ng Chin Heng	3,800,000	-	(3,040,000)	760,000
Ng Chin Shin	1,760,000	-	-	1,760,000
Alice Ng	2,200,000	-	(820,000)	1,380,000
Independent Non-Executive Director				
Hj. Ir. Intizam Bin Ayub	120,000	-	-	120,000

The details of the options, held by the key senior management of the Group pursuant to the Company's ESOS in respect of the financial year ended 31 December 2025 are as follows:

	Number of Options Over Unissued Ordinary Shares			
Name of Key Senior Management	**Balance as of 1.1.2025**	**Granted**	**Exercised**	**Balance as of 31.12.2025**
Pang Fong Thau	2,200,000	-	(1,760,000)	440,000
Ng Chin Keuan	1,760,000	-	-	1,760,000
Ng Chin Kok	1,760,000	-	-	1,760,000
Liow Ming Yew	2,200,000	-	-	2,200,000
Lau Joo Ting	1,760,000	-	-	1,760,000
Ng San Chen	2,050,000	-	-	2,050,000
Kong Wei Ket	710,000	-	-	710,000
Ng San Yang	163,800	-	-	163,800

In accordance with the By-Laws of the Company's ESOS, not more than eighty (80) percent of the new Company's shares available under the scheme shall be allocated in aggregate to the Directors and senior management. During the financial year and since commencement of the scheme, the actual percentage granted to them is approximately forty-seven (47) percent.

Corporate Governance Overview Statement

The Board of Directors considers corporate governance as a fundamental part of its responsibilities in managing the business and affairs of the Group and is fully committed to maintaining high standards at all times. Set out below is a statement on how the Group has applied the principles and the extent of its compliance with the best practice as stipulated in the Malaysian Code on Corporate Governance ("MCCG") 2021.

The Board of Directors plays a primary role in corporate governance by setting out the strategic direction of the Group, establishing goals and monitoring the achievement of the said goals. A Strategic Plan has been adopted as one of the key policies in ensuring that the Group crystallises its future plans and provides a clear direction for the Board and the Management of the Group. A structured risk management process has been established to better identify, formalise, monitor within the various operating units and manage the business risk functions affecting the Group. This is elaborated in greater details in the Statement on Risk Management and Internal Control on pages 110 to 111 of this Annual Report.

The Executive Directors take the primary responsibility of managing the Group's business and resources. The intimate knowledge of the Executive Directors and their hands-on management practices have enabled the Group to become a leader in the industry.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Practice 1.1 Roles and Responsibilities of the Board

In order to ensure effectiveness and discharge of its fiduciary and leadership duties, the Board:

- Retains full and effective control of the affairs of the Group;
- Formulates policies and strategies;
- Actively oversees and monitors management's performance;
- Reviews and adopts strategic corporate plans;
- Approves the Group's annual budget, including major capital commitments;
- Conducts periodic review of the achievements against business targets;
- Identifies principal risks and ensures the implementation of appropriate internal control systems and mitigation strategies;
- Oversees and evaluates the conduct of the Group's business;
- Ensures effective communication amongst the shareholders;
- Considers emerging issues which may be material to the business affairs of the Group;
- Ensures that the Group has a proper succession plan for its senior management and Board members;
- Any other matters which require the Board's approval pursuant to the applicable rules, laws and regulations;
- Identify, assess and monitor all corruption and bribery risks and perform corruption and bribery risk assessment on an ongoing basis; and
- Oversees the implementation and administration of whistleblowing policy and procedures.

Apart from its statutory duties and responsibilities stated above, the Board oversees the management and affairs of the Group. Certain matters are specifically reserved for the Board's decision, including overall strategic direction, operational plan, capital expenditure, mergers and acquisitions, capital projects, Group's operating and financial performance and review of risks affecting the Group. The Board also delegates the formulation of business strategies and policies, and day-to-day management to the Executive Directors and the Management. The Board is responsible for overseeing that the delegated tasks to Executive Directors and Management are carried out in accordance with the Group's core values and ethical guidelines with reference to the Directors' Code of Conduct of the Group.

Overall, the Board's key responsibilities reflect the recommendations prescribed by MCCG 2021.

Practice 1.2 Roles of Chairman

Mr. Ng Chin Heng serves as Executive Chairman. He provides top-level leadership and manages the overall direction of the Group. He also ensures that the views of shareholders are communicated to the Board as a whole in order to identify issues and concerns. He is responsible for executing the strategy as agreed by the Board and developing objectives by leading the senior executive team. In addition, he ensures that the Group's risks are adequately addressed and appropriate internal controls are in place. Scheduling regular and effective evaluations of the Board's performance is also one of the Executive Chairman's responsibilities.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (Cont'd)

Practice 1.3 Separation of roles of Chairman and Chief Executive Officer ("CEO")

Although the position of Chairman of the Board is to be held by a Non-Independent Executive Director, Mr. Ng Chin Heng, it however does not imply that the independence of the Board is compromised. This is perceived as appropriate and of benefit to the Group given that Mr Ng has continued to demonstrate strong leadership to the Board and proven his competency as an Executive Director, especially in driving the Group to grow year-on-year. The Nomination Committee, which comprises of all the Independent Non-Executive Directors, takes the views that the current composition and mix of Executive Directors and Independent Non-Executive Directors for the Board is appropriate.

Practice 1.4 Separation of roles of Chairman from Board Committees

The Executive Chairman of the Company is not a member of Audit Committee as well as the Nomination Committee and Remuneration Committee.

Practice 1.5 Company Secretaries

The Company Secretaries who are experienced, competent and knowledgeable on the laws and regulations, as well as directives issued by the regulatory authorities, provide clear and sound advice on requirements and procedures to be formulated and adopted by the Group arising from new statues and guidelines implemented by regulatory authorities. The Board is also briefed on proposed contents and timing of material announcements to be made to Bursa Malaysia. In ensuring that Board meetings are properly convened, the Company Secretaries fulfil their attendance in Board meetings. Not only that, the Company Secretaries also work collaboratively with the Management in assuring timely and appropriate information flows within the Group.

Practice 1.6 Information and Support of Directors

Prior to Board meetings, the agenda together with the relevant documents and information are distributed to all Directors within the requisite period to enable the Directors to review, seek additional information or clarification on the matters to be deliberated at Board meetings. The Senior Management and/or other relevant Board members will provide comprehensive explanation of pertinent issues and recommendations. The issues would then be deliberated and discussed thoroughly by the Board prior to decision-making.

Apart from the above, the Board members are supplied with information and reports on financial, operational, corporate, regulatory, business development and audit matters by way of board reports or upon specific request to enable them to discharge their duties and responsibilities.

Meetings and Time Commitments

Board meetings are held at least four (4) times a year at quarterly intervals with additional meetings convened when necessary. In intervals between Board meetings, when matters require Board decision, Board approvals are sought via Directors' Circular Resolutions (DCR) with sufficient information required to make an informed decision.

The proceedings of the Board meetings are conducted in line with a planned agenda in order to facilitate constructive and profound deliberations. The agenda is furnished to the Directors at least 7 days prior to the Board meeting, together with proposal papers and reports to allow sufficient time for the Directors to review the Board papers and to provide insightful comments during the Board meeting. The Board had held five (5) meetings during the financial year from 1 January 2025 to 31 December 2025 where the Board deliberated and considered a variety of matters including the Group's financial results, major investments, strategic decisions and direction of the Group.

Where a potential conflict arises in the Group's transactions involving any Director's interest, such Director is required to declare his/her interests and abstain from the decision making process.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

Meetings and Time Commitments (cont'd)

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. Shown below are the number of meetings attended by each Director for the financial year from 1 January 2025 to 31 December 2025. These meetings were held at the registered office on 28 February 2025, 16 April 2025, 27 May 2025, 27 August 2025 and 27 November 2025.

Name of Director	Designation	No. of Meetings Attended	%
Ng Chin Heng	Executive Chairman	5/5	100%
Ng Chin Shin	Executive Director	5/5	100%
Alice Ng	Executive Director	5/5	100%
Teo Gim Suan (Appointed on 1 Sep 2025)	Independent Non-Executive Director	1/1	100%
Jacob O Pang Su Yin (Resigned on 1 Aug 2025)	Independent Non-Executive Director	3/3	100%
Hj. Ir. Intizam Bin Ayub	Independent Non-Executive Director	5/5	100%
Seeto Yee @ Seeto Tin Yee	Independent Non-Executive Director	5/5	100%

The Directors are aware of the time commitment expected from each of them to attend to the Group's matters, including attendance at Board and other committees' meetings.

All Directors are required to immediately notify the Board when accepting any new external board appointments. Pursuant to paragraph 15.06(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, any Board member shall not hold more than five (5) directorships in public listed companies at any one time.

Practice 2.1 Board Charter

A Board Charter has been established and approved by the Board. The Board Charter acts as a source of reference and primary induction literature in providing insights to Board members and senior management. The Board will review Board Charter annually to ensure that it remains consistent with the Board's objectives and responsibilities as well as relevant standards of corporate governance. The last review was done on 27 August 2025.

The details of the Board Charter are available for reference at www.coastalcontracts.com.

Practice 3.1 Code of Conduct and Ethics

A Directors' Code of Conduct has been established and approved. This code sets out the standards of conducts and basic principles to guide the Board in carrying out their duties and responsibilities to the highest standards of honesty and integrity.

The Group is committed to ensuring that its business and operations are conducted in an ethical, moral and legal manner.

An Anti-Bribery and Corruption Policy ("ABC Policy") was established to provide information and guidance to those working for Coastal Group on how to recognise and deal with bribery and corruption issues, as well as understand their responsibilities. In addition, the implementation of ABC Policy is aimed at ensuring that the Group has adequate procedures to prevent and detect bribery and corruption.

The Board will monitor compliance and review regularly with the ABC Policy in order to ensure that the ABC Policy continues to remain relevant and appropriate. Besides that, any Director, officer or employee of the Group suspects contravention of the ABC Policy are required to promptly report the violations in accordance with the Group's Whistleblowing Policies and Procedures.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

Practice 3.2 Whistleblowing Policies and Procedures

Whistleblowing Policies and Procedures provide an avenue for all employees to disclose any improper conduct occurring in the course of dealing with Coastal and its businesses and operations. Under the policy, confidentiality of the matter raised and the identity of the whistle blower is protected. Any Director, officer or employee of the Group can report any improper conduct by writing to the Nomination & Remuneration Committee Chairman, Mr. Seeto Yee @ Seeto Tin Yee at seeto.yee@coastalcontracts.com. Alternatively, should there be any report of improper conduct to be made against the Nomination & Remuneration Committee Chairman, the report can be channelled to the Executive Chairman, Mr. Ng Chin Heng at ncheng@coastalcontracts.com.

Practice 4.1 Sustainability Leadership

The Board of Directors oversees the development of the sustainability performance of the organisation. The Board takes into account sustainability considerations when exercising its duties on the implementation and development of the Company's business strategic plans. The senior management and Heads of divisions will give recommendations and convey the material matters related to sustainability identified to the Board.

Practice 4.2 Sustainability Reporting

The Company supports this Practice under the MCCG 2021 and will work with all stakeholders towards its journey to sustainable growth. The Company's sustainability goals roadmap, is also disclosed in the Sustainability Statement.

Practice 4.3 Sustainability Training

In order to keep abreast and updated with the latest on sustainability practices, the Board shall proactively attend more sustainability courses and conferences in the near future. The Board may also engage with external consultants to provide guidance to the Board and senior management of the Company on addressing sustainability issues.

Practice 4.4 Sustainability Evaluation

The Company shall include new performance criteria related to Company's material sustainability risks and opportunities when conducting the annual performance evaluation on the Board and senior management.

II. BOARD COMPOSITION

Practice 5.1 Nomination Committee

The Nomination Committee comprises of the following members:

Name	Designation	Directorship
Seeto Yee @ Seeto Tin Yee (Appointed on 1 Sep 2025)	Chairman	Independent Non-Executive Director
Jacob O Pang Su Yin (Resigned on 1 Aug 2025)	Chairman	Independent Non-Executive Director
Hj. Ir. Intizam Bin Ayub	Member	Independent Non-Executive Director
Teo Gim Suan (Appointed on 1 Sep 2025)	Member	Independent Non-Executive Director

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

Practice 5.1 Nomination Committee (cont'd)

The Nomination Committee held three (3) meetings during the financial year from 1 January 2025 to 31 December 2025. The meeting was held at registered office on 16 April 2025, 27 August 2025 and 27 November 2025. Details of the attendance of the meeting by the Committee Members are as follows:

Name of Director	No. of Meetings Attended	%
Seeto Yee @ Seeto Tin Yee	3/3	100%
Jacob O Pang Su Yin	1/1	100%
Hj. Ir. Intizam Bin Ayub	3/3	100%
Teo Gim Suan	1/1	100%

A summary of the activities of the Nomination Committee during the year is as follows:

- Reviewed the mix of skills, experience and other qualities, including core competencies, of the Board members;
- Assessed the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director;
- Provide recommendations on candidates for directorship, re-appointment and re-election of Board members and the Board members to sit on Board Committees;
- Discussed and reviewed the Board's succession plans; and
- Support Directors' induction programs and continuing development.

Annual Assessment of Independence

The Nomination Committee shall assess the independence of each Independent Director in accordance with the definition of Independent Director as listed on paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Based on the assessment, the Nomination Committee is satisfied that the independence of the Board will not be impaired by its current board composition.

Practice 5.2 Board Composition

The Board currently comprises of six (6) members of whom three (3) are Executive Directors and three (3) are Independent Non-Executive Directors. In line with the recommendation of MCCG 2021, half of Coastal's Board of Directors are Independent Directors. The presence of the Independent Non-Executive Directors provides effective check and balance to the functioning of the Board. The three (3) Independent Non-Executive Directors are not employees and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Non-Executive Directors' judgement. They bring an external perspective and help develop strategic plans, as well as scrutinising the Management's performance in attaining its goals.

The Board views the number and composition of the Directors to be optimal and well-balanced given that its members are drawn from varied backgrounds with proper mix of skills, character, integrity, competence and time commitment, bringing in-depth and diverse experiences and perspectives to the Group's business operations. The profile of each Director is presented on pages 10 to 12 of this Annual Report.

Practice 5.3 Tenure of Independent Director

The Board is fully aware of one of the recommendations of MCCG 2021 which states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Should such a case occur, he may continue subject to his re-designation as Non-Independent Non-Executive Director. Alternatively, he may also be retained as Independent Non-Executive Director subject to shareholders' approval with justification of his retention. The Board acknowledges the recent amendments to the Listing Requirements of Bursa Securities on 19 January 2022. According to the new regulations, the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of twelve (12) years effective on or after 1 June 2023.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

Practice 5.4 Policy on the tenure of Independent Director

The Board does not have a policy that limits the tenure of Independent Directors to nine (9) years without further extension.

Practice 5.5 Board Diversity

The Group practices non-discrimination in the age, gender, ethnicity or religion towards the organisation, which includes the selection of Board members. It is important to have a Board that is composed of best-qualified individuals who possess the requisite knowledge, experience, independence and good judgement so as to ensure that the Board functions effectively and able to discharge its duties in the best interests of the Group and the Company's shareholders.

Practice 5.6 Sourcing of Directors

The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and also appointments are made on merits. The process for the appointment of a new director is summarised in the sequence as follows:

i) The candidate is identified upon the recommendation by the existing Directors and/or Senior Management;
ii) In evaluating the suitability of candidates to the Board, the Nomination Committee considers the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence;
iii) Recommendation to be made by Nomination Committee to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
iv) Decision to be made by the Board on the proposed new appointment, including appointment to the various Board committees.

Any new nomination received is put to the full Board for assessment and endorsement.

Practice 5.7 Appointment and Re-election of Directors

Pursuant to Clause No. 97 of the Company's Constitution, any new appointed Director shall hold office only until the next annual general meeting of the Company, and shall then be eligible for re-election. For financial year ended 31 December 2025, Madam Teo Gim Suan who eligible for re-election in accordance with Clause No. 97 of the Company's Constitution.

Pursuant to Clause No. 100 of the Company's Constitution, an election of Directors shall take place each year and at every AGM of the Company, one-third (1/3) of the Directors for the time being shall retire from office provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. For the financial year ended 31 December 2025, the following Directors who retire by rotation in accordance with Clause No. 100 of the Company's Constitution and being eligible, have offered themselves for such re-election:

(i) Mr Ng Chin Heng; and
(ii) Mr Seeto Yee @ Seeto Tin Yee

Shareholders are well-informed by the Company for the appointment or re-election of Directors through the Notice of AGM which is attached as part of the Annual Report. Profiles of Directors are also published in the Annual Report, with information on the age, gender, qualifications, working experience, tenure of service, directorship in other companies, any family relationship or conflict of interest as well as shareholdings in the Company.

Practice 5.8 Nomination Committee Chairman

In line with the recommendation of MCCG 2021, the Nomination Committee is chaired by Mr Seeto Yee @ Seeto Tin Yee, an Independent Director.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

Practice 5.9 Women Directors

The Board currently comprises 33.3% women Directors, an increase from 16.7% in the previous financial year. This improvement reflects the Company's commitment towards enhancing gender diversity at Board level.

The Company has achieved compliance with Practice 5.9 of the Malaysian Code on Corporate Governance, which recommends that at least 30% of the Board comprises women Directors. The Board will continue to uphold gender diversity and endeavour to maintain at least 30% women representation, taking into consideration suitable candidates based on merit and experience.

Practice 5.10 Policy on Gender Diversity

The Board does not have a specific policy on gender diversity. There are two (2) woman directors in the Board and one (1) woman in Coastal's key senior management team.

Practice 6.1 Evaluation of Board, Board Committees and Individual Directors

Annual Assessment of Existing Directors and Board Committees

The Nomination Committee assesses the performance of all the Directors due for re-election and makes recommendations to the Board for their re-election to be tabled for shareholders' approval at the forthcoming AGMs. The process of assessing the Directors is an on-going responsibility of the entire Board, made possible by a formal evaluation process to annually assess the effectiveness of the Board Committees, as well as the contribution and performance of each individual Director. The criteria used includes an assessment of their roles, duties, responsibilities, competency, expertise and contribution whereas for the Board and Board Committees, the criteria used include composition, structure, accountability, responsibilities, adequacy of information and processes.

Directors' Training

The Board sees Directors' training as an on-going practice and regularly assesses their training needs so as to develop and appraise their knowledge and skills required to fulfil their responsibilities.

All Directors have successfully completed the Mandatory Accreditation Programme Part I ("MAP I") as prescribed by Bursa Malaysia Securities Berhad. All existing members of the Board have also completed the Mandatory Accreditation Programme Part II ("MAP II: Leading for Impact"), with the exception of Mr Jacob O Pang Su Yin, who resigned on 1 August 2025 prior to attending MAP II. During the financial year from 1 January 2025 to 31 December 2025, the details of seminars attended by the Directors are as follows:

Name of Director	Seminar
Ng Chin Heng	• In House ESG Training 2025 • 2025 Tax Policy and Controversy Outlook Webcast • Expanding to Singapore & Malaysia: Key Tax and Accounting Insights • The Power of Perception : Using Media to 10x Your Valuation
Ng Chin Shin	• In House ESG Training 2025 • 2025 Tax Policy and Controversy Outlook Webcast • Expanding to Singapore & Malaysia : Key Tax and Accounting Insights • The Power of Perception : Using Media to 10x Your Valuation

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

Practice 6.1 Evaluation of Board, Board Committees and Individual Directors (cont'd)

Directors' Training (cont'd)

Name of Director	Seminar
Alice Ng	• In House ESG Training 2025 • Best practices in resume writing • Firm Culture and Governance – IESBA and CPA Australia • My Firm. My Future. Communication essentials • Can you use AI and comply with your ethical obligations? • Career Insights – Skills Employers are Seeking (Singapore) • Cyber Security and board/audit and risk committee responsibility • My Firm. My Future. Data and documentation • Ethics in Sustainability Reporting and Assurance – IESBA and CPA Australia • Professional Ethics in Focus 2024 • CPA Australia Learning Insights • The Power of Perception : Using Media to 10x Your Valuation • A practical guide to preparing for an Executive Interview • Current Issue in Risk Management • The shift in boardroom dynamics : Enhancing governance and strategic leadership
Hj. Ir. Intizam Bin Ayub	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP) • Expanding to Singapore & Malaysia : Key Tax and Accounting Insights • Audit Oversight Board's Conversation with Audit Committee
Seeto Yee @ Seeto Tin Yee	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP) • Audit Oversight Board's Conversation with Audit Committee
Teo Gim Suan (Appointed on 1 Sep 2025)	• Mandatory Accreditation Programme Part II : Leading for Impact (LIP) • The Power of Perception : Using Media to 10x Your Valuation • Preference Shares : Steps to Issue, Redeem and Convert • Director Duty to Exercise Due Care Skill and Diligence • E-Invoice Implementation in Malaysia and Navigating the MYINVOIS Portal • Audit Oversight Board's Conversation with Audit Committee
Jacob O Pang Su Yin (Resigned on 1 Aug 2025)	• Expanding to Singapore & Malaysia : Key Tax and Accounting Insights

The Directors will continue to undergo relevant training programmes to keep abreast with latest changes in laws, regulations and the business environment to equip them with the knowledge to discharge their duties effectively. Furthermore, the Company Secretary circulates the relevant guidelines on statutory and regulatory requirements from time to time for the Directors' reference and will brief the Board members on these updates as and when required.

III. REMUNERATION

Practice 7.1 Remuneration Policy and Procedures for Directors and Senior Management

Basic salaries for Executive Directors are fixed for the duration of their contract and any adjustment of the basic salary will be reviewed and endorsed by the Remuneration Committee, considering factors such as individual performance, inflation price index, affordability, industry's practices and benchmarks. As for Non-Executive Directors, the quantum of Directors' fees is recommended by the Remuneration Committee to the Board after taking into account of the fiduciary duties and responsibilities of the Non-Executive Directors under the relevant regulatory requirements.

Bonus scheme which is based on the individual and Company's performance is offered to the Executive Directors and the bonus payable are to be reviewed by the Remuneration Committee and approved by the Board.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. REMUNERATION (cont'd)

Practice 7.1 Remuneration Policy and Procedures for Directors and Senior Management (cont'd)

All benefits in kind are made available as appropriate. In respect of the Executive Directors, contribution is made to the Employees Provident Fund ("EPF"), the national mandatory defined contribution plan. The Company is subject to reimbursement of associated expenses incurred by the Directors in the course of fulfilling their duties as Executive Directors.

The Board as a whole determines and endorses the remuneration of the Directors after considering the proposals from the Remuneration Committee. Individual Directors concerned shall abstain from discussions and decisions in respect of their own remuneration. The Directors' remuneration shall be determined by an ordinary resolution of the Company pursuant to Clause No. 123 of the Company's Constitution.

Practice 7.2 Remuneration Committee

The Remuneration Committee comprises the following members:

Name	Designation	Directorship
Seeto Yee @ Seeto Tin Yee (Appointed on 1 Sep 2025)	Chairman	Independent Non-Executive Director
Jacob O Pang Su Yin (Resigned on 1 Aug 2025)	Chairman	Independent Non-Executive Director
Hj. Ir. Intizam Bin Ayub	Member	Independent Non-Executive Director
Teo Gim Suan (Appointed on 1 Sep 2025)	Member	Independent Non-Executive Director

The Committee shall meet when there are matters referred to them for consideration or as necessary. The Committee has access to professional advice on remuneration matter from within the Group and external specialists of the field in making recommendations to the Board.

The Remuneration Committee held one (1) meeting during the financial year, which were attended by all of the Committee members. The Remuneration Committee ensures that formal and transparent remuneration policies and procedures have been put in place to attract and retain Directors of adequate competency in order to run the Group successfully. Remuneration packages for Executive Directors shall be fair in accordance with their achievements and contributions to the Group. The Committee has the right to obtain independent consultants' advice and information about remuneration practices elsewhere.

The Terms of Reference of Remuneration Committee is available for reference at the Company's website at www.coastalcontracts.com.

Practice 8.1 and 8.2 Disclosure of Remuneration of Directors and Senior Management

The details of Directors' remuneration of the Company comprising remuneration paid/payable from the Company and its subsidiaries for the financial year from 1 January 2025 to 31 December 2025 are as follows:

From the Company

Name of Director	Fees & Allowances RM'000	Salaries & Bonuses RM'000	Statutory Contribution RM'000	Benefits-in-kind RM'000	Total RM'000
Independent Non-Executive Directors					
Hj. Ir. Intizam Bin Ayub	39	-	-	-	39
Seeto Yee @ Seeto Tin Yee	44	-	-	-	44
Teo Gim Suan (Appointed on 1 Sep 2025)	16	-	-	-	16
Jacob O Pang Su Yin (Resigned on 1 Aug 2025)	35	-	-	-	35
Total	**134**	**-**	**-**	**-**	**134**

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. REMUNERATION (cont'd)

Practice 8.1 and 8.2 Disclosure of Remuneration of Directors and Senior Management (cont'd)

From the Group

Name of Director	Fees & Allowances RM'000	Salaries & Bonuses RM'000	Statutory Contribution RM'000	Benefits-in-kind RM'000	Total RM'000
Executive Directors					
Ng Chin Heng	-	1,604	-	7	1,611
Ng Chin Shin	-	420	17	13	450
Alice Ng	-	1,243	52	27	1,322
Total	**-**	**3,267**	**69**	**47**	**3,383**

The remuneration of the top five senior management is not disclosed as it is deemed be detrimental to its business interests, given the competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, where poaching has become common place.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Practice 9.1 Audit Committee Chairman
Practice 9.4 (Step Up) Independence of Audit and Risk Management Committee

The Audit Committee is made up exclusively of Independent Directors based on the Step-Up recommendation of the Code and also meets the Listing Requirements of which states the Audit Committee is to comprise no fewer than three (3) members and that all members must be Non-Executive Directors with a majority being Independent Directors. The Chairman of the Audit Committee is an Independent Director. The role and responsibilities of the Audit Committee as well as their rights are set out in the Terms of Reference contained on the corporate website. Details of the activities carried out by the Audit Committee for the financial year are set out on pages 95 to 97.

There is no separate committee to govern risk management, that task being undertaken by the Audit Committee.

Practice 9.2 and 9.3 Oversight and Assessment of the Suitability and Independence of External Auditors

To ensure independence, the Company obtains written assurance from the external auditors confirming that they have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit Committee also reviews and assesses the appointment and re-appointment of the external auditors via an assessment checklist in accordance with the assessment criteria covering regulatory requirements. Terms of engagement for services provided by the external auditors are also reviewed by the Audit Committee prior to submission to the Board for approval. The Board, upon concurrence with the outcome of the assessment approved the re-appointment of external auditor based on the Audit Committee's recommendation subject to shareholder's approval at the annual general meeting.

It is the policy of the Audit Committee to meet with the external auditors at least two (2) times a year to discuss the audit plan, audit findings and views in respect of the integrity of the Group's financial statements. The external auditors are also invited to attend the annual general meeting.

Corporate Governance Overview Statement (cont'd.)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. AUDIT COMMITTEE (cont'd)

Practice 9.5 Financial Literacy of the Audit Committee

The Audit Committee possesses the right mix of skills to discharge its duties effectively.

All members of the Audit Committee play key supporting roles by contributing their knowledge, guidance and experience towards making independent judgement on issues of strategies, performance, resources and standards of conduct. Majority of the members of the Audit Committee have the necessary financial, technical and commercial expertise required to meet their responsibilities and provide an effective level of challenge to management.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Practice 10.1 and 10.2 Risk Management and Internal Control Framework

The Board acknowledges that it is responsible for maintaining a sound system of internal control covering not only financial controls but also operational, compliance as well as risk management. The internal control system is designed to meet the Group's particular needs and to manage the risk to which it is exposed. The system, by its inherent limitations, can only provide reasonable but not absolute assurance against misstatement or loss. The Board reviews risk exposures, evaluates risk and approves risk management policies to ensure effective risk management profile is in place.

The Board's statement on risk management and internal control is set out on pages 110 to 111 of this Annual Report.

Practice 11.1 and 11.2 Internal Audit Function

The Group's internal audit function was outsourced to an independent professional firm to provide independent assurance and assist the Audit Committee in discharging its duties and responsibilities. The functions of the internal audit include the review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Group. The internal audit function is prescribed in more detail in the Audit Committee Report of this Annual Report.

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

Practice 12.1 Communication with Stakeholders

The Board recognises the importance of an effective communication channel between the Board, shareholders and the general public. The Board reviews and implements corporate communication policies with the shareholders, other key stakeholders and the public. The annual reports, quarterly results, press releases and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and performance. Apart from that, the Company also took part in briefing sessions with analysts.

Practice 12.2 Integrated Reporting

The Group has yet to adopt integrated reporting as it does not fall within the definition of Large Companies.

Practice 13.1 Notice of General Meeting

The notice of general meetings has been sent out to shareholders in line with the minimum notice period of 21 days as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. In addition, the notices will also be published in at least one newspaper of national circulation for a wider dissemination of such notice and to encourage greater shareholders' participation at general meeting.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

Practice 13.2 Directors to attend the General Meeting

All the Directors shall endeavour to attend the general meetings to allow the shareholders to raise questions and clarify any issues they may have relating to each resolution tabled for approval.

Practice 13.3 Electronic Voting

In line with Practice 13.3 of the MCCG 2021 in promoting electronic voting, the Board had assessed and of the opinion that the electronic voting is not necessary. However, the Board shall consider adopting such recommendation when there are large number of shareholders or meetings held in remote locations.

Practice 13.4 Interaction between Company and its Shareholders

The Company's general meeting provides an opportunity for direct interaction with shareholders where questions and concerns raised would serve as feedback to the Group's business and corporate decisions.

Practice 13.5 Conduct of Virtual Meeting

In line with Practice 13.5 of the MCCG 2021, the Board had assessed the need to conduct virtual meeting and of the opinion that the conduct of virtual meeting is not necessary. However, the Board shall consider adopting such recommendation when there are large number of shareholders or meetings held in remote locations.

Practice 13.6 Circulation of Minutes of General Meeting

In line with Practice 13.6 of the MCCG 2021, the Company has published the outcome of last year's general meeting on its website within 30 business days after the completion of the general meeting.

STATEMENT ON COMPLIANCE WITH BEST PRACTICES OF THE CODE

This statement is prepared in compliance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and it is to be read together with the Corporate Governance Report 2025 of the Company which is available in the Company's website at www.coastalcontracts.com.

The Board is satisfied that the Company has complied with the Code during the financial year with regard to the recommendations supporting the Principles except as otherwise stated.

This statement was presented and approved at the Board of Directors' Meeting held on 16 April 2026.

Statement On Risk Management And Internal Control

The Board of Directors ("Board") is pleased to present the Group's Statement on Risk Management and Internal Control for the financial year ended 31 December 2025. This statement has been prepared in accordance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Paragraph 15.26(b), and in compliance with Malaysian Code on Corporate Governance 2021.

RESPONSIBILITY

The Board of Directors recognises the importance of sound systems of internal control and effective risk management practices to safeguard shareholders' investments and the Group's assets.

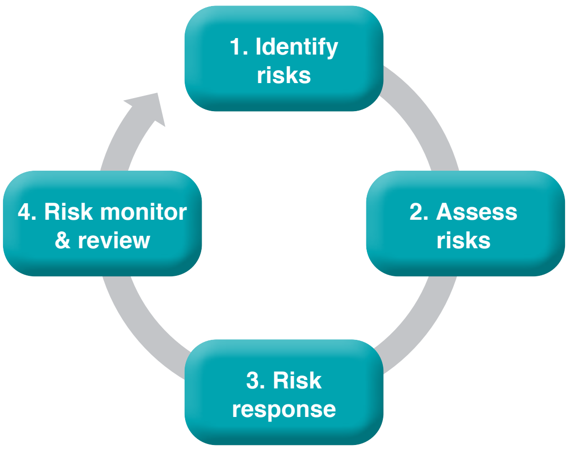
The Board confirms that there is an ongoing process for identifying, assessing and managing the principal risks faced by the Group, which is in accordance with the guidance as contained in the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers". This process includes reviewing and updating the system of internal controls to take into consideration changes in the regulatory and business environment.

In view of the limitations inherent in any system of internal control, the Group's internal control system can only provide reasonable but not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risks that may impede the achievement of the Group's business objectives.

The review of the risk management and internal control reports is delegated by the Board to the Audit Committee.

RISK MANAGEMENT FRAMEWORK

Risk management has been firmly embedded in the Group's management system. It is a process of understanding and managing the risks that the Group is inevitably subject to in attempting to achieve its business objectives. The Board primary objective and direction in managing the Group's risks are focused on sustaining the achievement of the Group's business objectives with the lowest possible chance of failure. The Board and the Management are responsible to ensure there is an appropriate risk management process for identifying, assessing, responding, monitoring and reviewing significant risks faced by the Group in all aspects. The Management and Head of Departments are responsible for managing the risks of their respective departments on an ongoing basis.



The diagram above sets out the Group Risk Management framework. At least once a year, a Group-wide risk assessment is performed to identify the nature and extent of such risks and determine respective mitigating steps. The Group has formalised the Risk Register, which identifies the risks and associated mitigating control activities and future actions.

Risks are identified by assessing the probability and impact of their occurrence and are evaluated as Low, Medium or High. The level of residual risk is determined after identifying and evaluating the effectiveness of existing controls or mitigating measures.

The Group's identified risks are categorised into external risks, business risks, financial risks and operational risks. Based on the Risk Register, the Board and the Management, after further analysis and discussion, shall annually review the previously identified risks, update their likelihood of occurrence and potential impact. Should there be new risks emerging as a result of the changing environment, the Board and the Management will update the Risk Register immediately and ensure appropriate action plans be taken in response to the new risks.

Statement On Risk Management And Internal Control (cont'd.)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Ad hoc and scheduled meetings at operation sites are held to identify, discuss and resolve operational issues. The Board is aware of and involved, when necessary, in resolving any significant issue identified at those meetings. The Group is structured as such that the heads of each operating unit have clear reporting line. There is also proper segregation of duties to ensure safe custody of the Group's assets.

The Executive Directors are actively involved in the day-to-day operations of the Group. The Executive Directors ensure that all employees have clear understanding of their roles and responsibilities and that the Group's operations are carried out in accordance with standards set and expected by the Board.

The Executive Directors have established a structured and formal employee appraisal system that ensures employees are remunerated based on their performance.

INTERNAL AUDIT FUNCTION

The Group outsources its Internal Audit function to an independent professional firm, whose remit is to the Audit Committee. During the financial year, the Internal Auditors have carried out the internal audit and presented their report to the Audit Committee. The Audit Committee has deliberated on the contents of the report and is satisfied that appropriate actions are being taken to address all the weaknesses highlighted. The costs incurred for the Internal Audit function in respect of the financial year ended 31 December 2025 was RM42,500.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

In addition to the assurance received from the Executive Chairman and Chief Financial Officer on the adequacy and effectiveness of the Group's risk management and internal control system, the Board is of the view that the system of risk management and internal control, which has been implemented within the Group is sound and effective. It has not resulted in any material losses and contingencies during the financial year ended 31 December 2025. The risk management and internal control procedures will be reviewed continuously in order to improve and strengthen the system to ensure ongoing adequacy, integrity and effectiveness so as to safeguard the Group's assets and shareholders' investments.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this statement for inclusion in the Annual Report 2025. Their review has been performed in accordance with Audit and Assurance Practice Guide 3 ("APPG3") issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors reported to the Board that nothing has come to their attention which has caused them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually incorrect.

This statement was presented and approved at the Board of Directors' Meeting held on 16 April 2026.

Additional Compliance Information

- **Utilisation of Proceeds**

  There were no proceeds raised from any corporate proposal during the financial year.

- **Audit and Non-Audit Fees**

  Audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 December 2025 by the Company's Auditors, or a firm or company affiliated to the Auditors' firm are as follows:

Category	Audit Fees (RM)	Non-Audit Fees (RM)
Company	80,000	147,960
Subsidiaries	285,594	24,246
	365,594	172,206

- **Material Contract**

  There were no material contracts entered into by the Company and its subsidiaries involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

- **Recurrent Related Party Transactions**

  The details of the related party transactions can be found on page 181 and 182.

Statement Of Directors' Responsibility For Preparing The Financial Statements

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

In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgement and estimates that are reasonable and prudent;
- Ensured that all applicable approved accounting standards have been followed; and
- Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made due enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have overall responsibilities for taking such steps as are reasonably available to them to safeguard the assets of the Group as well as to prevent and detect fraud and other irregularities.

The above statement of the Directors' responsibilities for preparing the financial statements was made in accordance with a Board resolution dated 16 April 2026.

FINANCIAL STATEMENTS

Directors' Report

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are stated in Note 15 to the financial statements.

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

Results

	Group RM	Company RM
Loss net of tax	(53,069,672)	(130,156,267)
Attributable to:		
Owners of the Company	(48,363,357)	(130,156,267)
Non-controlling interests	(4,706,315)	-
	(53,069,672)	(130,156,267)

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

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

Dividend

The Company paid a special interim single tier dividend of 5 sen per ordinary share amounting to RM27,156,050 for the financial year ended 31 December 2024 on 15 April 2025.

On 16 April 2026, the Company declared a special interim single tier dividend of 3 sen per ordinary share for the current financial year, payable on 22 May 2026, to shareholders whose names appearing in the record of depositors on 5 May 2026. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

The Directors do not recommend any final dividend to be paid in respect of the current financial year.

Directors

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

Ng Chin Heng
Ng Chin Shin
Alice Ng
Intizam Bin Ayub
Seeto Yee @ Seeto Tin Yee
Teo Gim Suan (Appointed on 1 September 2025)
Jacob O Pang Su Yin (Resigned on 1 August 2025)

Directors' Report (cont'd.)

Directors (cont'd)

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:

Pang Fong Thau
Ng Chin Keuan
Ng Chin Kok
Ng San Chen
Liow Ming Yew
Lau Joo Ting
Bali Bin Wutung
Ng San Yang
Chin Kah Kit, Derrick
Kong Wei Ket
Lo Ming Liong
Mohd Safwan Bin Ramli (Appointed on 7 March 2025)

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a 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 any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with a company in which certain Directors have substantial financial interests as disclosed in Note 33 to the financial statements.

Directors' Remuneration

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

	Group RM	Company RM
Fees	134,200	134,200
Salaries, wages and bonuses	3,266,822	-
Defined contribution benefits	69,632	-
	3,470,654	134,200

The estimated monetary value of benefits-in-kind provided by the Group to the Directors of the Company was RM46,994.

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Company during the financial year amounted to RM19,450.

Directors' Report (cont'd.)

Directors' Interests

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in shares and options over unissued shares of the Company during the financial year are as follows:

	Number of Ordinary Shares			
	At 1.1.2025	**Acquired**	**Sold**	**At 31.12.2025**
The Company				
Direct Interests:				
Ng Chin Heng	29,706,700	8,040,000	-	37,746,700
Ng Chin Shin	24,291,320	-	-	24,291,320
Alice Ng	457,266	820,000	(492,700)	784,566
Intizam Bin Ayub	80,000	-	-	80,000
Indirect Interests:				
Ng Chin Heng (#)	216,532,634	1,760,000	-	218,292,634

 # Interest by virtue of shares held by spouse, children and by Ivory Asia Sdn. Bhd.

	Number of Options Over Unissued Ordinary Shares			
	At 1.1.2025	**Granted**	**Exercised**	**At 31.12.2025**
The Company				
Ng Chin Heng	3,800,000	-	(3,040,000)	760,000
Ng Chin Shin	1,760,000	-	-	1,760,000
Alice Ng	2,200,000	-	(820,000)	1,380,000
Intizam Bin Ayub	120,000	-	-	120,000

Ng Chin Heng, by virtue of his interests in shares in the Company, is deemed interested in the shares of all the subsidiaries to the extent the Company has an interest, 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 and options over unissued shares of the Company or its related corporations during the financial year.

Issue of Shares and Debentures

During the financial year, the Company increased its issued and paid-up share capital from RM324,964,694 to RM336,123,490 by way of the issuance of 9,053,790 new ordinary shares from the exercise of options under the Company's Employees' Share Option Scheme at the exercise price of RM0.99 per ordinary share.

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

The Company did not issue any debentures during the financial year.

Treasury Shares

During the financial year, the Company repurchased 3,218,000 of its issued ordinary shares from the open market at an average price of approximately RM1.27 per share. The total consideration paid for the repurchase including transaction costs was RM4,096,936. The shares repurchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 31 December 2025, the Company held as treasury shares a total of 17,724,200 of its 558,939,211 issued and fully paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM21,114,455 and further relevant details are disclosed in Note 30 to the financial statements.

Directors' Report (cont'd.)

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 except for the share options granted pursuant to the Company's Employees' Share Option Scheme below.

Employees' Share Option Scheme

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 16 December 2021. The ESOS is to be in force for a period of 5 years effective from 16 December 2021.

The details of the ESOS are disclosed in Note 30(c) to the financial statements.

Other Statutory Information

(a) Before the statements of profit or loss, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

 (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables; and

 (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

 (i) the amount written off for bad debts or the amount of the allowance for impairment losses on receivables inadequate to any substantial extent; and

 (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) 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.

(e) At the date of this report, there does not exist:

 (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

 (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

 (i) 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, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

 (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Directors' Report (cont'd.)

Subsidiaries

The details of the Group's subsidiaries are disclosed in Note 15 to the financial statements.

Significant Events During The Financial Year

The significant events of the Group during the financial year are disclosed in Note 42 to the financial statements.

Event Occurring After The Reporting Period

The event occurring after the reporting period of the Group is disclosed in Note 43 to the financial statements.

Auditors

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

The auditors' remuneration of the Group and of the Company for the financial year are RM365,594 and RM80,000 respectively.

To the extent permitted by law, the Company has agreed to indemnify its auditors as part of the terms of its audit engagement against any claims by third parties arising from the audit. No payment has been made to indemnify the auditors neither during the financial year nor since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 24 April 2026.

Ng Chin Heng

Ng Chin Shin

Statement by Directors/ Statutory Declaration

Statement by Directors
Pursuant to Section 251(2) of the Companies Act 2016

We, Ng Chin Heng and Ng Chin Shin, being two of the Directors of Coastal Contracts Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 126 to 203 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 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.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 24 April 2026.

Ng Chin Heng

Ng Chin Shin

Statutory Declaration
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Kong Wei Ket, MIA Membership Number: CA34621, being the officer primarily responsible for the financial management of Coastal Contracts Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 126 to 203 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 Kong Wei Ket
at Sandakan in the State of Sabah
on this 24 April 2026.

Kong Wei Ket

Before me

Independent Auditors' Report

to the members of COASTAL CONTRACTS BHD.
(Incorporated in Malaysia)

Registration No. 200001015043 (517649-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Coastal Contracts Bhd., 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, statements of 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 126 to 203.

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 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.

Key Audit Matters

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

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

Impairment Assessment on Trade Receivables Refer to Note 22 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
Trade receivables are a major component of the financial position of the Group. The Group assessed at each reporting date whether the trade receivables carried at amortised cost are credit-impaired. The Group have applied simplified method to determine the allowance for impairment of trade receivables. The expected credit loss model involves the use of various assumptions, economic factors and historical credit behaviour of trade receivables. There is significant degree of management estimation and judgement involved in the calculation of expected credit loss, risk of default and the inherent uncertainties during the estimation process.	Our procedures included, amongst others: ■ Challenging the reasonableness of the key assumptions and judgements used to calculate the likelihood of default and estimation on the adequacy of the Group's expected credit loss allowance on trade receivables. ■ Reviewing the recoverability of major receivables including but not limited to the review of subsequent collections. ■ Reviewing the ageing of trade receivables. ■ Reviewing collections and sales trends during the financial year of major receivables.

Independent Auditors' Report
to the members of COASTAL CONTRACTS BHD. (cont'd.)
(Incorporated in Malaysia)
Registration No. 200001015043 (517649-A)

Investment in a Joint Venture
Refer to Note 16(b) to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
The Group's 50% interest in the investment of a significant joint venture for the financial year is accounted for under the equity method. The Group's share of profit after taxation and net assets of the joint venture was RM89.5 million and RM342.9 million respectively. In the context of our audit of the Group's consolidated financial statements, the key audit matters relating to the Group's share of profit after taxation and net assets of the joint venture are as follows: (i) Revenue and profit recognition Given the significant risk involved when auditing revenue, we have reviewed the component auditor's working papers to ensure sufficient audit procedures had been performed, and the joint venture's revenue recognition policy was consistent with the accounting standards and has been applied consistently. This scrutiny extends to profit recognition, given the importance of accurately reporting joint venture's profits to ensure the reliability of the financial statements. (ii) Impairment assessment of trade receivables The assessment on impairment of trade receivables involves significant management estimation and judgement in the calculation of expected credit loss, risk of default and the inherent uncertainties during the estimation process.	We have communicated with the joint venture's component auditor and discussed their identified audit risk areas. The audited financial information of the component auditor is used as evidence in the Group audit. The procedures included, amongst others: ■ Evaluating the competence and independence of the component auditor of the joint venture. ■ Determining and communicating the audit risk areas in the context of the Group's consolidated financial statements to the component auditor of the joint venture. ■ Reviewing the working papers of the component auditor of the joint venture. ■ Determining adequacy of the work performed to address the audit risk areas identified in the context of the Group's consolidated financial statements.

Independent Auditors' Report
to the members of COASTAL CONTRACTS BHD. (cont'd.)
(Incorporated in Malaysia)
Registration No. 200001015043 (517649-A)

Impairment Assessment on Property, Plant and Equipment Refer to Note 17 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
Property, plant and equipment constitute a significant portion of the financial position. There is a risk associated with assessing the recoverable amount of certain operating assets, particularly those related to vessel chartering. Unfavorable macro-economic factors may contribute to a potential decline in the value of property, plant and equipment, both in terms of value in use and fair value less cost of disposal. Assessing the recoverability of these assets relies on considering market conditions, asset-specific factors, the legal and regulatory environment, future cash flows, discount rates, external indicators, changes in use, impairment triggers, and consistency in testing methods and assumptions.	Our procedures included, amongst others: ■ Assessing whether there is any indication that an asset may be impaired. If any such indications exists, estimate the recoverable amount of the asset. ■ Evaluating the qualification, competence and independence of the external expert valuer and reviewing the terms of engagement of the expert appointed by the Group to determine whether there were any matters that might have affected their objectivity. ■ Assessing the methodology adopted by management and its appointed expert valuer in calculating the fair market value of the vessels. ■ Reviewing the reasonableness and validating the assumptions used by management and its appointed expert valuer in arriving at the vessel valuation. ■ Checking the accuracy and relevance of the input data provided by management to the external expert valuer.

There are no key audit matters to report for the Company.

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.

Independent Auditors' Report
to the members of COASTAL CONTRACTS BHD. (cont'd.)
(Incorporated in Malaysia)
Registration No. 200001015043 (517649-A)

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.

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group 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 financial statements of the Group. 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 COASTAL CONTRACTS BHD. (cont'd.)
(Incorporated in Malaysia)
Registration No. 200001015043 (517649-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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

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

Chong Wei-Chnoong
03525/08/2026 J
Chartered Accountant

Kuala Lumpur

24 April 2026

Statements of Profit or Loss
For the Financial Year Ended 31 December 2025

		Group		Company	
	Note	**2025 RM**	**2024 RM**	**2025 RM**	**2024 RM**
Revenue	5	56,080,843	77,763,862	926,961	81,552,602
Cost of sales		(41,341,678)	(73,302,563)	-	-
Gross profit		14,739,165	4,461,299	926,961	81,552,602
Other items of income					
Interest income	6	5,383,151	88,013,718	873,909	256,442
Other income	7	43,645,412	263,180,826	34,931,192	14,162,649
Net reversal of impairment loss on receivables	8	-	-	1,259,935	20,695,528
Other items of expenses					
Administrative expenses		(22,388,077)	(21,334,044)	(2,302,900)	(2,272,137)
Finance costs	9	(1,531,522)	(3,156,993)	(719,769)	(2,257,751)
Other expenses		(140,949,902)	(63,911,887)	(164,495,196)	(128,438,637)
Net impairment loss on receivables	8	(39,991,731)	(152,240,643)	-	-
Share of profit of joint venture, net of tax	16(b)	89,467,752	68,713,983	-	-
(Loss)/Profit before tax	10	(51,625,752)	183,726,259	(129,525,868)	(16,301,304)
Income tax expense	13	(1,443,920)	(18,562,597)	(630,399)	(62,695)
(Loss)/Profit net of tax		(53,069,672)	165,163,662	(130,156,267)	(16,363,999)
(Loss)/Profit attributable to:					
Owners of the Company		(48,363,357)	163,027,786	(130,156,267)	(16,363,999)
Non-controlling interests		(4,706,315)	2,135,876	-	-
		(53,069,672)	165,163,662	(130,156,267)	(16,363,999)
(Loss)/Earnings per share attributable to owners of the Company (sen):					
Basic	14	(8.94)	30.50		
Diluted	14	(8.84)	29.75		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income
For the Financial Year Ended 31 December 2025

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
(Loss)/Profit net of tax	(53,069,672)	165,163,662	(130,156,267)	(16,363,999)
Other comprehensive (loss)/income:				
Other comprehensive (loss)/income will be reclassified to profit or loss in subsequent periods:				
Foreign currency translation differences for foreign operations	(37,108,456)	(60,080,683)	-	-
Share of other comprehensive income/ (loss) of joint venture	4,381,064	(57,983,582)	-	-
Net other comprehensive loss will be reclassified to profit or loss in subsequent periods	(32,727,392)	(118,064,265)	-	-
Total comprehensive (loss)/income for the year	(85,797,064)	47,099,397	(130,156,267)	(16,363,999)
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(79,923,597)	45,334,359	(130,156,267)	(16,363,999)
Non-controlling interests	(5,873,467)	1,765,038	-	-
	(85,797,064)	47,099,397	(130,156,267)	(16,363,999)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Financial Position
As at 31 December 2025

	Note	2025 RM	2024 RM
ASSETS			
NON-CURRENT ASSETS			
Investments in joint ventures	16	342,914,213	250,123,446
Property, plant and equipment	17	277,274,865	306,673,391
Right-of-use assets	18	32,202,225	32,873,034
Investment properties	19	2,952,875	3,034,899
Investment securities	20	12,897,474	12,379,376
		668,241,652	605,084,146
CURRENT ASSETS			
Inventories	21	214,286,773	119,272,383
Trade and other receivables	22	13,262,411	110,040,989
Contract assets	23	87,503	376,292
Short-term investments	24	688,135,248	774,368,147
Tax recoverable		1,940,142	3,676,674
Cash and bank balances	25	169,903,534	267,587,690
		1,087,615,611	1,275,322,175
TOTAL ASSETS		1,755,857,263	1,880,406,321
EQUITY AND LIABILITIES			
CURRENT LIABILITIES			
Loans and borrowings	26	13,208,820	29,979,873
Lease liabilities	27	1,124,556	1,109,972
Trade and other payables	28	45,213,046	42,246,745
Contract liabilities	23	-	994
Income tax payable		136,757	2,580,988
		59,683,179	75,918,572
NET CURRENT ASSETS		1,027,932,432	1,199,403,603

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Financial Position
As at 31 December 2025 (cont'd.)

	Note	2025 RM	2024 RM
NON-CURRENT LIABILITIES			
Loans and borrowings	26	540,755	963,176
Lease liabilities	27	53,594	13,991
Deferred tax liabilities	29	2,099,589	2,080,001
		2,693,938	3,057,168
TOTAL LIABILITIES		62,377,117	78,975,740
NET ASSETS		1,693,480,146	1,801,430,581
EQUITY			
Share capital	30	336,123,490	324,964,694
Treasury shares	30	(21,114,455)	(17,017,519)
Other reserves	31	227,685,903	261,466,252
Retained earnings		1,137,908,353	1,213,402,360
Equity attributable to owners of the Company		1,680,603,291	1,782,815,787
Non-controlling interests		12,876,855	18,614,794
TOTAL EQUITY		1,693,480,146	1,801,430,581
TOTAL EQUITY AND LIABILITIES		1,755,857,263	1,880,406,321

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Financial Position
As at 31 December 2025

	Note	2025 RM	2024 RM
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries	15	330,980,374	337,717,663
Property, plant and equipment	17	48,627	36,026
Right-of-use assets	18	36,732	5,737
Investment securities	20	6,904,368	6,736,436
Other receivables	22	9,727,280	-
		347,697,381	344,495,862
CURRENT ASSETS			
Other receivables	22	109,919,271	67,664,780
Short-term investments	24	681,982,098	767,997,038
Tax recoverable		1,644,102	3,384,017
Cash and bank balances	25	41,314,446	168,134,578
		834,859,917	1,007,180,413
TOTAL ASSETS		1,182,557,298	1,351,676,275
EQUITY AND LIABILITIES			
CURRENT LIABILITIES			
Loans and borrowings	26	-	16,656,432
Lease liabilities	27	17,972	5,861
Other payables	28	251,410	302,644
		269,382	16,964,937
NET CURRENT ASSETS		834,590,535	990,215,476

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Financial Position
As at 31 December 2025 (cont'd.)

	Note	2025 RM	2024 RM
NON-CURRENT LIABILITIES			
Lease liabilities	27	18,760	-
Deferred tax liabilities	29	8,416	4,597
		27,176	4,597
TOTAL LIABILITIES		296,558	16,969,534
NET ASSETS		1,182,260,740	1,334,706,741
EQUITY			
Share capital	30	336,123,490	324,964,694
Treasury shares	30	(21,114,455)	(17,017,519)
Other reserves	31	5,948,773	8,168,882
Retained earnings	32	861,302,932	1,018,590,684
TOTAL EQUITY		1,182,260,740	1,334,706,741
TOTAL EQUITY AND LIABILITIES		1,182,557,298	1,351,676,275

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 31 December 2025

	Note	← Attributable to Owners of the Company				→		
		Share Capital RM	Treasury Shares RM	Other Reserves RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Equity, Total RM
Group								
2025								
Opening balance at 1 January 2025		324,964,694	(17,017,519)	261,466,252	1,213,402,360	1,782,815,787	18,614,794	1,801,430,581
Foreign currency translation differences for foreign operations		-	-	(35,941,304)	-	(35,941,304)	(1,167,152)	(37,108,456)
Share of other comprehensive income of joint venture		-	-	4,381,064	-	4,381,064	-	4,381,064
Total other comprehensive loss		-	-	(31,560,240)	-	(31,560,240)	(1,167,152)	(32,727,392)
Loss for the year		-	-	-	(48,363,357)	(48,363,357)	(4,706,315)	(53,069,672)
Total comprehensive loss		-	-	(31,560,240)	(48,363,357)	(79,923,597)	(5,873,467)	(85,797,064)
Transactions with owners:								
Purchase of treasury shares	30	-	(4,096,936)	-	-	(4,096,936)	-	(4,096,936)
Share options:								
- value of options forfeited	31	-	-	(24,565)	24,565	-	-	-
- share options exercised		11,158,796	-	(2,195,544)	-	8,963,252	-	8,963,252
Dividend	41	-	-	-	(27,156,050)	(27,156,050)	-	(27,156,050)
Total transactions with owners		11,158,796	(4,096,936)	(2,220,109)	(27,131,485)	(22,289,734)	-	(22,289,734)
Acquisition of a subsidiary		-	-	-	-	-	131,363	131,363
Dilution of interests in a subsidiary		-	-	-	835	835	4,165	5,000
Closing balance at 31 December 2025		336,123,490	(21,114,455)	227,685,903	1,137,908,353	1,680,603,291	12,876,855	1,693,480,146

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 31 December 2025 (cont'd.)

	Note	Attributable to Owners of the Company						
		Share Capital RM	Treasury Shares RM	Other Reserves RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Equity, Total RM
Group								
2024								
Opening balance at 1 January 2024		321,263,127	(17,017,519)	379,920,930	1,050,341,623	1,734,508,161	14,233,961	1,748,742,122
Foreign currency translation differences for foreign operations		-	-	(59,709,845)	-	(59,709,845)	(370,838)	(60,080,683)
Share of other comprehensive loss of joint venture		-	-	(57,983,582)	-	(57,983,582)	-	(57,983,582)
Total other comprehensive loss		-	-	(117,693,427)	-	(117,693,427)	(370,838)	(118,064,265)
Profit for the year		-	-	-	163,027,786	163,027,786	2,135,876	165,163,662
Total comprehensive income		-	-	(117,693,427)	163,027,786	45,334,359	1,765,038	47,099,397
Transactions with owners:								
Share options:								
- value of options forfeited	31	-	-	(32,951)	32,951	-	-	-
- share options exercised		3,701,567	-	(728,300)	-	2,973,267	-	2,973,267
Dividend by a subsidiary to non-controlling interests		-	-	-	-	-	(945,626)	(945,626)
Total transactions with owners		3,701,567	-	(761,251)	32,951	2,973,267	(945,626)	2,027,641
Acquisition of a subsidiary		-	-	-	-	-	3,561,421	3,561,421
Closing balance at 31 December 2024		324,964,694	(17,017,519)	261,466,252	1,213,402,360	1,782,815,787	18,614,794	1,801,430,581

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 31 December 2025 (cont'd.)

	Note	Share Capital RM	Treasury Shares RM	Share Option Reserve RM	Retained Earnings RM	Equity, Total RM
Company						
2025						
Opening balance at 1 January 2025		324,964,694	(17,017,519)	8,168,882	1,018,590,684	1,334,706,741
Loss for the year		-	-	-	(130,156,267)	(130,156,267)
Transactions with owners:						
Purchase of treasury shares	30	-	(4,096,936)	-	-	(4,096,936)
Share options:						
- value of options forfeited	31	-	-	(24,565)	24,565	-
- share options exercised		11,158,796	-	(2,195,544)	-	8,963,252
Dividend	41	-	-	-	(27,156,050)	(27,156,050)
Total transactions with owners		11,158,796	(4,096,936)	(2,220,109)	(27,131,485)	(22,289,734)
Closing balance at 31 December 2025		336,123,490	(21,114,455)	5,948,773	861,302,932	1,182,260,740
2024						
Opening balance at 1 January 2024		321,263,127	(17,017,519)	8,930,133	1,034,921,732	1,348,097,473
Loss for the year		-	-	-	(16,363,999)	(16,363,999)
Transactions with owners:						
Share options:						
- value of options forfeited	31	-	-	(32,951)	32,951	-
- share options exercised		3,701,567	-	(728,300)	-	2,973,267
Total transactions with owners		3,701,567	-	(761,251)	32,951	2,973,267
Closing balance at 31 December 2024		324,964,694	(17,017,519)	8,168,882	1,018,590,684	1,334,706,741

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows
For the Financial Year Ended 31 December 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Operating Activities					
(Loss)/Profit before tax		(51,625,752)	183,726,259	(129,525,868)	(16,301,304)
Adjustments for:					
Dividend income	5	-	-	(926,961)	(81,552,602)
Interest income	6	(5,383,151)	(88,013,718)	(873,909)	(256,442)
Fair value gain on investment securities	7	(951,026)	(756,947)	(600,860)	-
Fair value gain on short-term investments	7	(21,122,722)	(6,944,434)	(21,115,564)	(6,907,381)
Gain on disposal of plant and equipment	7	(86,344)	(58,144,905)	-	(722)
Income from investments	7	(13,579,465)	(1,750,727)	(13,200,101)	(1,228,742)
Premium income arising from guarantee contracts issued	7	-	-	-	(553)
Reversal of inventories written down	7	(50,070)	(36,584)	-	-
Waiver of debts	7	-	(147,655,190)	-	-
Net impairment loss/(reversal of impairment loss) on receivables	8	39,991,731	152,240,643	(1,259,935)	(20,695,528)
Amortisation of transaction costs capitalised	9	126,693	126,693	126,693	126,693
Interest expense	9	1,316,583	2,968,986	593,076	2,131,058
Deposits written off	10	160,000	-	-	-
Depreciation of investment properties	10	82,024	82,024	-	-
Depreciation of property, plant and equipment	10	31,988,274	32,819,374	12,543	10,883
Depreciation of right-of-use assets	10	1,885,721	1,771,245	5,737	5,737
Fair value loss on investment securities	10	-	422,524	-	422,524
Fair value loss on short-term investments	10	-	105,632	-	-
Impairment loss on investments in subsidiaries	10	-	-	83,112,289	108,135,525
Impairment loss on plant and equipment	10	-	20,033,910	-	-
Investments in subsidiaries written off	10	-	-	-	6,131
Plant and equipment written off	10	55,347	1,537	104	1
Share of profit of joint venture		(89,467,752)	(68,713,983)	-	-
Net unrealised loss/(gain) on foreign exchange		67,255,376	(8,569,502)	64,181,899	(6,010,165)
Total adjustments		12,221,219	(170,013,422)	110,055,011	(5,813,583)
Operating cash flows before changes in working capital		(39,404,533)	13,712,837	(19,470,857)	(22,114,887)
Changes in working capital					
Net change in accounts with subsidiaries		-	-	(45,760,025)	4,935,471
Increase in inventories		(106,812,168)	(88,339,825)	-	-
Decrease/(Increase) in receivables		3,804,684	(21,683,539)	145,383	(241,975)
Decrease in contract assets		261,069	5,183,930	-	-
Increase/(Decrease) in payables		6,638,307	(2,696,975)	(3,918)	(159,960)
Decrease in contract liabilities		(994)	(6,756,877)	-	-
Total changes in working capital		(96,109,102)	(114,293,286)	(45,618,560)	4,533,536
Cash flows used in operations		(135,513,635)	(100,580,449)	(65,089,417)	(17,581,351)
Interest paid	25(b)	(1,386,880)	(3,007,376)	(640,392)	(2,195,534)
Net income tax (paid)/refunded		(1,942,388)	(19,313,647)	1,113,335	(1,968,739)
Net cash flows used in operating activities		(138,842,903)	(122,901,472)	(64,616,474)	(21,745,624)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows
For the Financial Year Ended 31 December 2025 (cont'd.)

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Investing Activities					
Acquisition of a subsidiary, net of cash and cash equivalents acquired		-	(33,999,803)	-	-
Acquisition of property, plant and equipment	17	(28,426,416)	(1,468,047)	(25,248)	(25,791)
Increase in investments in subsidiaries		-	-	(76,375,000)	(35,724,815)
Income received from investments		13,579,465	1,750,727	13,200,101	1,228,742
Interest received		7,968,534	120,656,029	855,363	256,284
Loan to a subsidiary		-	-	(9,727,280)	-
Net dividend received		-	-	926,961	81,552,602
Net proceeds from disposal of investment securities		5,841	24,232	5,841	24,232
Net proceeds from disposal of/(placement in) short-term investments		49,750,916	(589,612,756)	49,525,799	(588,989,651)
Placement of fixed deposits pledged to a licenced bank		(2,700,000)	-	(2,700,000)	-
Proceeds from redemption of preference shares in a subsidiary		-	-	-	735,432,894
Proceeds from disposal of plant and equipment		224,097	101,084,716	-	1,000
Repayment of loan from a joint venture		47,118,526	675,932,036	-	-
Net cash flows from/(used in) investing activities		87,520,963	274,367,134	(24,313,463)	193,755,497
Financing Activities					
Dividend paid on ordinary shares	41	(27,156,050)	-	(27,156,050)	-
Dividend paid to non-controlling interests		-	(945,626)	-	-
Purchase of treasury shares		(4,096,936)	-	(4,096,936)	-
Proceeds from exercise of ESOS		8,963,252	2,973,267	8,963,252	2,973,267
Proceeds from issuance of ordinary shares to non-controlling interests		136,363	-	-	-
Proceeds from drawdown of loans	25(b)	-	22,405	-	-
Repayment of loans and borrowings	25(b)	(17,213,483)	(24,375,858)	(16,783,125)	(17,212,500)
Repayment of lease liabilities	25(b)	(1,160,954)	(1,074,620)	(5,861)	(5,613)
Net cash flows used in financing activities		(40,527,808)	(23,400,432)	(39,078,720)	(14,244,846)
Net (decrease)/increase in cash and cash equivalents		(91,849,748)	128,065,230	(128,008,657)	157,765,027
Effect of foreign exchange rate changes		(8,534,408)	(30,554,609)	(1,511,475)	(417,035)
Cash and cash equivalents at beginning of year		267,587,690	170,077,069	168,134,578	10,786,586
Cash and cash equivalents at end of year	25(a)	167,203,534	267,587,690	38,614,446	168,134,578

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Block G, Lot 3B, Bandar Leila, W. D. T. 259, 90009 Sandakan, Sabah. The principal place of business is located at Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah. The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are stated in Note 15 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

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

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

2. 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 accordance with Malaysian Financial Reporting Standards (MFRSs), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.1 Adoption of New and/or Amended Accounting Standards

On 1 January 2025, the Group and the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2025.

Description

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above amended MFRS did not have any material impact on the Group’s and the Company’s financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

2. Basis of Preparation (cont'd)

2.2 Standards Issued But Not Yet Effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
MFRSs and/or IC Interpretations (Including The Consequential Amendments)	
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
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

MFRS 18: Presentation and Disclosure in Financial Statements

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 the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently assessing the impact of implementing this new standard.

3. Material Accounting Policy Information

3.1 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

(i) Has power over the investee;
(ii) Is exposed, or has rights, to variable returns from its involvement with the investee; and
(iii) Has the ability to use its power to affect its returns.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

3. Material Accounting Policy Information (cont'd)

3.1 Basis of Consolidation (cont'd)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiary is attributed to the owners of the Company.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.2 Investments in Subsidiaries

Investments in subsidiaries (including the share options granted to employees of the subsidiaries), which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

3.3 Investments in Joint Ventures

Investments in joint ventures are stated in the financial statements of the Group at cost less impairment losses, if any. The Group recognises its interest in the joint ventures using the equity method.

3.4 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, other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is stated at cost less impairment losses.

Freehold land is not depreciated. Depreciation of other property, plant and equipment is calculated using the straight-line basis to allocate their depreciable amounts over the estimated useful lives. The estimated useful lives are as follows:

Buildings and workshops	10 - 15 years
Heavy machinery and equipment	5 - 18 years
Motor vehicles	5 years
Renovation	5 - 10 years
Slipway and shipyard infrastructure	10 - 20 years
Telecommunications and office equipment, furniture and fittings	5 - 10 years
Vessels and offshore assets	12 - 15 years

Construction work-in-progress are not depreciated until such time when the asset is available for use.

3.5 Investment Properties

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

Depreciation is calculated using the straight-line basis to allocate the depreciable amounts over the estimated useful lives of the assets of 50 years.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

3. Material Accounting Policy Information (cont'd)

3.6 Financial Instruments

(a) Financial assets

Financial assets through profit or loss

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

Financial assets at amortised cost

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

(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.

(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.

Treasury shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

3.7 Inventories

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

The cost of raw materials and spare parts are determined using the weighted average method. The cost of raw materials comprises costs of purchase. The cost of finished goods and work-in-progress are determined using specific identification of their individual costs. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

3. Material Accounting Policy Information (cont'd)

3.8 Right-of-Use Assets and Lease Liabilities

(a) Short-term leases and leases of low-value assets

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

(b) Right-of-use assets

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

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

(c) Lease liabilities

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

3.9 Revenue and Other Income

(a) Construction of vessels

The Group builds vessels under long-term construction contracts on both build-to-order and build-to-stock basis. For build-to-order vessels, it typically commences the construction process only upon securing a firm order from a customer. For build-to-stock vessels, however, it commences the construction of the vessels in anticipation of future or potential orders and seeks to sell the vessels to customers at a later stage when the selling prices are favourable.

Revenue from construction contract for built-to-order vessel is recognised over time in the period in which the services are rendered using the output method by reference to the construction progress based on the physical proportion of construction work. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Group has assessed and determined that the performance obligations for built-to-stock vessels are satisfied at a point in time as none of the criteria for satisfaction of performance obligations over time is met. The Group's performance does not create an asset with alternative use to the Group and the Group does not have an enforceable right to payment for work completed to date.

(b) Chartering services

The service element of the Group's charter contracts is recognised over time in the period when the services are rendered, since the performance obligation is satisfied over time. When the customer simultaneously receives and consumes the benefits provided by the Group's performance (such as revenues from reimbursements, bunkers and other goods and services provided to customers), related revenues are recognised in the period in which such goods or services are transferred to the customers.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

3. Material Accounting Policy Information (cont'd)

3.9 Revenue and Other Income (cont'd)

(c) Ship repair and maintenance services

Revenue from providing ship repair and maintenance are 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. For variable-price contracts, revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Past experience is used to estimate and provide for the variable consideration.

(d) Rental income

Rental income from investment property is recognised in profit or loss as it accrues over the term of the lease.

(e) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(f) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(g) Service fee income

Service fee income is recognised in profit or loss when services are rendered.

4. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key Sources of Estimation Uncertainty

The key assumptions 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 amount of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 20 years. These are common life expectancies applied in the vessels construction and transportation industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment as at the reporting date is disclosed in Note 17 to the financial statements.

(b) Impairment of receivables and contract assets

The loss allowances for receivables and contract assets are based on assumptions about risk of default and expected loss rates. The contract assets are grouped with receivables for impairment assessment because they have substantially the same risk characteristics as the receivables for the same types of contracts. 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 receivables and contract assets as at the reporting date are disclosed in Notes 22 and 23 to the financial statements respectively.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

4. Significant Accounting Judgements and Estimates (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

The key assumptions 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 amount of assets and liabilities within the next financial year are discussed below. (cont'd)

(c) Impairment of non-financial assets

The Group determines whether an item of its non-financial assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates and volatility in markets in which the Group operates. The carrying amounts of these non-financial assets as at the reporting date are disclosed in Notes 15, 16, 17, 18 and 19 to the financial statements respectively.

(d) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at reporting date is disclosed in Note 21 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 the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below.

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

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

(b) Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(c) Contingent liabilities

The recognition and measurement for contingent liabilities is 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.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

5. Revenue

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Revenue recognised at a point in time:				
- Dividend income	-	-	926,961	81,552,602
Revenue recognised over time:				
- Contract fee income	-	11,721	-	-
- Vessel repairs and service income	8,110,650	23,809,862	-	-
- Vessel chartering income	47,970,193	53,942,279	-	-
	56,080,843	77,763,862	926,961	81,552,602

The information on the disaggregation of revenue is disclosed in Note 40 to the financial statements.

The information about the performance obligations in contracts with customers is summarised below:

Nature of Goods or Services	Timing and Method of Revenue Recognition	Significant Payment Terms	Warranty
Vessel chartering services	Over time in the period when the services are rendered.	Payment terms ranging from 7 days prior to the commencement of each month to 30 days from the invoice date.	Not applicable.
Vessel repairs and maintenance services	Over time based on percentage of completion.	Credit period of 30 days from the invoice date.	Contract-by-contract basis. Warranty period ranging from 6 months to 1 year.
Sale of vessel	Point in time when vessel is delivered.	Contract-by-contract basis. Based on contractual agreed terms.	Not applicable.

(i) There were no variable elements in the sales consideration and no obligation to returns or refunds to the customers.

6. Interest Income

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Interest income from:				
- Short-term deposits	4,048,568	9,041,603	852,326	256,442
- Loans and receivables	1,334,583	78,972,115	21,583	-
	5,383,151	88,013,718	873,909	256,442

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

7. Other Income

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Commission income	14,527	15,086	14,527	15,086
Fair value gain:				
- investment securities	951,026	756,947	600,860	-
- short-term investments	21,122,722	6,944,434	21,115,564	6,907,381
Gain on disposal of plant and equipment	86,344	58,144,905	-	722
Gain on foreign exchange:				
- realised	2,203,921	30,799,541	-	-
- unrealised	209,467	9,946,447	-	6,010,165
Income from investments	13,579,465	1,750,727	13,200,101	1,228,742
Lease income:				
- rental income from investment properties	313,358	289,569	-	-
- right-of-use assets	-	1,600	-	-
Premium income arising from guarantee contracts issued	-	-	-	533
Reversal of inventories written down	50,070	36,584	-	-
Service fee income	1,752,277	2,734,177	-	-
Sundry income	3,362,235	4,105,619	140	-
Waiver of debts	-	147,655,190	-	-
	43,645,412	263,180,826	34,931,192	14,162,649

8. Net Impairment Loss/(Reversal of Impairment Loss) on Receivables

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Impairment loss during the financial year	41,345,837	155,359,806	-	-
Reversal of impairment loss	(1,354,106)	(3,119,163)	(1,259,935)	(20,695,528)
	39,991,731	152,240,643	(1,259,935)	(20,695,528)

9. Finance Costs

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Interest expense on:				
- Loans and borrowings	1,295,054	2,948,551	592,937	2,130,671
- Lease liabilities	21,529	20,435	139	387
	1,316,583	2,968,986	593,076	2,131,058
Amortisation of transaction costs capitalised	126,693	126,693	126,693	126,693
Bank facility fees	88,246	61,314	-	-
	1,531,522	3,156,993	719,769	2,257,751

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

10. (Loss)/Profit before Tax

The following items have been included in arriving at (loss)/profit before tax:

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Auditors' remuneration:				
- statutory audits				
- current year	365,594	330,026	80,000	75,000
- underprovision in prior year/period	19,262	50,102	7,800	25,000
- other services	172,206	202,966	147,960	153,316
Depreciation:				
- property, plant and equipment (Note 17)	31,988,274	32,819,374	12,543	10,883
- right-of-use assets (Note 18)	1,885,721	1,771,245	5,737	5,737
- investment properties (Note 19)	82,024	82,024	-	-
Deposits written off	160,000	-	-	-
Direct operating expenses on investment properties	24,535	15,559	-	-
Directors' remuneration: (Note 12)				
- Directors of the Company	3,470,654	3,586,394	134,200	138,000
- Directors of subsidiaries	5,092,918	4,925,987	-	-
Employee benefits expenses (Note 11)	14,152,013	13,220,420	1,050,778	1,040,121
Equipment hire	2,000	7,700	-	-
Fair value loss:				
- investment securities	-	422,524	-	422,524
- short-term investments	-	105,632	-	-
Impairment loss:				
- investments in subsidiaries	-	-	83,112,289	108,135,525
- plant and equipment	-	20,033,910	-	-
Investments in subsidiaries written off	-	-	-	6,131
Incorporation expenses	1,900	14,808	-	-
Loss on foreign exchange:				
- realised	20,992,295	20,337,170	17,200,904	19,874,456
- unrealised	67,464,843	1,376,945	64,181,899	-
Plant and equipment written off	55,347	1,537	104	1
Rental expenses	29,353	22,404	-	-

11. Employee Benefits Expenses

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Salaries, wages and bonuses	12,857,467	11,991,702	928,742	920,630
Contributions to defined contribution benefits	1,199,395	1,142,447	113,518	112,140
Contributions to employment insurance system	6,777	6,268	874	754
Social security contributions	88,374	80,003	7,644	6,597
	14,152,013	13,220,420	1,050,778	1,040,121

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

12. Directors' Remuneration

The details of remuneration receivable by Directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	3,336,454	3,448,394	-	-
Non-Executive:				
Fees and allowances	134,200	138,000	134,200	138,000
	3,470,654	3,586,394	134,200	138,000
Directors of Subsidiaries				
Executive:				
Salaries and other emoluments	5,092,918	4,925,987	-	-

The estimated monetary value of benefits-in-kind provided by the Group to the Directors of the Company was RM46,994 (2024: RM49,985).

The estimated monetary value of benefits-in-kind provided by the Group to the Directors of the subsidiaries was RM75,464 (2024: RM77,387).

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

13. Income Tax Expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2025 and 31 December 2024 are as follows:

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Statements of profit or loss:				
Current tax:				
- Malaysian tax	572,137	105,516	532,827	72,081
- Labuan business activity tax	-	138,711	-	-
- Foreign tax	701,074	18,500,039	22,838	23,275
	1,273,211	18,744,266	555,665	95,356
Under/(Over)provision in prior year/period:				
- Malaysian tax	70,706	(34,838)	70,915	(34,838)
- Foreign tax	(59,472)	(138,427)	-	-
	11,234	(173,265)	70,915	(34,838)
	1,284,445	18,571,001	626,580	60,518
Deferred income tax (Note 29):				
- Origination and reversal of temporary differences	161,274	(8,404)	5,618	2,177
- Overprovision in prior year/period	(1,799)	-	(1,799)	-
	159,475	(8,404)	3,819	2,177
Income tax expense recognised in profit or loss	1,443,920	18,562,597	630,399	62,695

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

13. Income Tax Expense (cont'd)

Reconciliation between tax expense and (loss)/profit before tax

The reconciliation between tax expense and the (loss)/profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2025 and 31 December 2024 are as follows:

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
(Loss)/Profit before tax	(51,625,752)	183,726,259	(129,525,868)	(16,301,304)
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	(12,390,180)	44,094,302	(31,086,208)	(3,912,313)
Adjustments:				
Non-deductible expenses	21,018,136	32,217,312	40,147,324	31,924,083
Income not subject to taxation	(8,962,784)	(13,363,654)	(8,499,833)	(27,914,237)
Effect of different tax rates in Labuan	127,487	(22,471,562)	-	-
Effect of different tax rates in other jurisdictions	23,172,280	(5,574,661)	-	-
Effect of share of results in joint venture	(21,472,260)	(16,491,356)	-	-
Deferred tax assets not recognised	901,009	882,122	-	-
Utilisation of deferred tax assets previously not recognised	(959,203)	(556,641)	-	-
Under/(Over)provision in prior year/period:				
- current tax	11,234	(173,265)	70,915	(34,838)
- deferred tax	(1,799)	-	(1,799)	-
Income tax expense recognised in profit or loss	1,443,920	18,562,597	630,399	62,695

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

14. (Loss)/Earnings Per Share

Basic (loss)/earnings per share are calculated by dividing (loss)/profit for the financial year net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for own shares held.

Diluted (loss)/earnings per share are calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary share outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflect the (loss)/profit and share data used in the computation of basic and diluted (loss)/earnings per share for the financial years ended 31 December 2025 and 31 December 2024:

	Group	
	2025 **RM**	**2024** **RM**
(Loss)/Profit net of tax attributable to owners of the Company used in the computation of basic and diluted (loss)/earnings per share	(48,363,357)	163,027,786
	Number of shares	**Number of shares**
Weighted average number of ordinary shares for basic (loss)/earnings per share computations*	541,063,659	534,555,565
Effects of dilution:		
- Share options	6,220,915	13,483,605
Weighted average number of ordinary shares for diluted (loss)/earnings per share computations*	547,284,574	548,039,170
Basic (loss)/earnings per ordinary share (sen)	(8.94)	30.50
Diluted (loss)/earnings per ordinary share (sen)	(8.84)	29.75

* The weighted average number of ordinary shares in issue was derived at after taking into account the weighted average effect of changes in treasury shares transactions.

15. Investments in Subsidiaries

	Company	
	2025 **RM**	**2024** **RM**
Unquoted shares, at cost	664,421,953	588,046,953
Accumulated impairment losses	(333,441,579)	(250,329,290)
	330,980,374	337,717,663

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

15. Investments in Subsidiaries (cont'd)

The details of the subsidiaries are as follows:

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Principal Activities	Percentage of Effective Interest Held 2025 %	2024 %
(a) Subsidiaries of Coastal Contracts Bhd.				
Bonafile Shipbuilders & Repairs Sdn. Bhd.	Malaysia	Provision of ship repairs and maintenance services and sub-contract services.	100	100
Coastal Transport (Sandakan) Sdn. Bhd.	Malaysia	Provision of tugboat and barge transportation, vessel chartering and property letting.	100	100
Coastway Transport Sdn. Bhd.	Malaysia	Provision of vessel chartering and related services.	100	100
Seri Modalwan Sdn. Bhd.	Malaysia	Provision of ship repairs and maintenance services and sub-contract services.	100	100
Coastal Marine Pte. Ltd. #	Singapore	Investment holding, provision of vessel chartering and towing, marketing, ship delivery and other ancillary services.	100	100
Pleasant Engineering Sdn. Bhd.	Malaysia	Fabrication and sale of offshore support and marine transportation vessels, provision of ship repairs and maintenance services and provision of vessel chartering services.	100	100
Coastal Offshore (Labuan) Pte. Ltd.	Malaysia	Sale of offshore support and marine transportation vessels, provision of vessel chartering and leasing services.	100	100
Thaumas Marine Ltd. #	British Virgin Islands	Sale of offshore support and marine transportation vessels.	100	100
Ace Capital Pte. Ltd.	Malaysia	Temporary ceased operations.	100	100
Coastal International Marine Inc. #	British Virgin Islands	Sale of offshore support and marine transportation vessels and provision of vessel chartering services.	100	100

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

15. Investments in Subsidiaries (cont'd)

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

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Principal Activities	Percentage of Effective Interest Held 2025 %	2024 %
(a) Subsidiaries of Coastal Contracts Bhd. (cont'd)				
Coastal Offshore Venture Pte. Ltd.	Malaysia	Sale of offshore support and marine transportation vessels, provision of vessel chartering and leasing services.	100	100
Coastal Drilling Pte. Ltd. #	Singapore	Investment holding.	100	100
Coastal Energy Solutions Pte. Ltd. #	Singapore	Provision of bareboat chartering services.	100	100
Coastal Dynamic Pte. Ltd. #	Singapore	Provision of vessel chartering, technical and operations services.	100	100
Coastal Hospitality Holdings Sdn. Bhd.	Malaysia	Investment holding.	100	100
Coastal Power Holdings Sdn. Bhd.	Malaysia	Investment holding.	100	100
Coastal Offshore Marine Inc. #	British Virgin Islands	Sale of offshore support and marine transportation vessels.	100	100
(b) Subsidiary of Coastal Marine Pte. Ltd.				
Coastoil, S.A. de C.V. *	Mexico	Management and operation of offshore vessel and other investment.	100	100
(c) Subsidiaries of Coastal Drilling Pte. Ltd.				
Elite Point Pte. Ltd. #	Singapore	Provision of liftboat chartering services.	80	80
Coastal Watt Energy Pte. Ltd. #	Singapore	Investment holding.	60	-

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

15. Investments in Subsidiaries (cont'd)

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

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Principal Activities	Percentage of Effective Interest Held 2025 %	2024 %
(d) Subsidiary of Coastal Hospitality Holdings Sdn. Bhd.				
Jewel of Mabul Development Sdn. Bhd.	Malaysia	Development of an overwater bungalow resort.	82	82
(e) Subsidiary of Coastal Power Holdings Sdn. Bhd.				
Coastal Solar Sdn. Bhd. ^	Malaysia	Operation of renewable energy asset.	95	100

\# Audited by firms other than Crowe Malaysia PLT.
* 95% equity interest held by Coastal Marine Pte. Ltd. and 5% equity interest held by Coastal Drilling Pte. Ltd.
^ 90% equity interest held by Coastal Power Holdings Sdn. Bhd. and 5% equity interest held by Pleasant Engineering Sdn. Bhd.

(a) In the previous financial year, the Group acquired 82% equity interests in Jewel of Mabul Development Sdn. Bhd. ("JOMD"). The acquisition of JOMD was to enable the Group to expand its business into hospitality and tourism sector. The acquisition of JOMD did not constitute a business and had been accounted for as an asset acquisition.

As such, the purchase consideration was allocated to the individual identifiable assets and liabilities of JOMD on the basis of their relative fair values as the date of acquisition. The transaction had not given rise to any goodwill.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Group 2024 RM
Property, plant and equipment	11,831,227
Right-of-use assets	25,806,147
Cash and bank balances	2,509,062
Other payables	(1,585,015)
Fair value of net identifiable assets acquired	38,561,421
Less: Non-controlling interest's share of the fair value of net identifiable assets	(3,561,421)
Group's share of the fair value of net identifiable assets	35,000,000
Total purchase consideration, to be setted by cash	35,000,000
Less: Cash and bank balances of subsidiary acquired	(2,509,062)
Other payable assumed and settled	1,508,865
Net cash outflow from the acquisition of JOMD	33,999,803

(b) During the financial year, the Group has disposed of 5% equity interest in Coastal Solar Sdn. Bhd. for RM5,000 in cash. The financial effects of the disposal have not been presented as this subsidiary is not individually material to the Group.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

15. Investments in Subsidiaries (cont'd)

(c) During the financial year, the Company carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. An impairment loss of RM83,112,289 (2024: RM108,135,525), representing the write-down of the cost of investment, was recognised in "Other expenses" line item of the statements of profit or loss.

(d) The non-controlling interests at the end of the reporting period comprise the following:

	Percentage of Effective Interest Held		Group	
	2025 %	2024 %	2025 RM	2024 RM
Elite Point Pte. Ltd.	20	20	9,465,267	15,107,665
Jewel of Mabul Development Sdn. Bhd.	18	18	3,317,563	3,507,129
Other individually immaterial subsidiaries			94,025	-
			12,876,855	18,614,794

(e) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:

	Elite Point Pte. Ltd.	
	2025 RM	2024 RM
<u>At 31 December</u>		
Non-current assets	38,549,444	38,173,898
Current assets	17,999,209	45,944,184
Current liabilities	(9,222,321)	(8,579,759)
Net assets	47,326,332	75,538,323
<u>Financial Year Ended 31 December</u>		
Revenue	43,290,193	48,416,377
(Loss)/Profit for the financial year	(22,397,182)	10,950,840
Total comprehensive (loss)/income	(28,211,991)	9,096,649
Total comprehensive (loss)/income attributable to non-controlling interests	(5,642,398)	1,819,330
Dividend paid to non-controlling interests	-	945,626
Net cash flows from operating activities	10,161,867	14,828,008
Net cash flows (used in)/from investing activities	(11,383,293)	377,117
Net cash flows used in financing activities	-	(18,433,020)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

15. Investments in Subsidiaries (cont'd)

(e) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows: (cont'd)

	Jewel of Mabul Development Sdn. Bhd. 2025 RM	Jewel of Mabul Development Sdn. Bhd. 2024 RM
At 31 December		
Non-current assets	19,765,184	19,713,516
Current assets	84,187	60,885
Non-current liabilities	(43,674)	-
Current liabilities	(1,374,798)	(290,355)
Net assets	18,430,899	19,484,046
Financial Year Ended 31 December		
Loss for the financial year	(1,053,147)	(301,624)
Total comprehensive loss	(1,053,147)	(301,624)
Total comprehensive loss attributable to non-controlling interests	(189,566)	(54,292)
Net cash flows from/(used in) operating activities	273,953	(1,474,941)
Net cash flows (used in)/from investing activities	(201,991)	1,495,826
Net cash flows used in financing activities	(15,993)	-

16. Investments in Joint Ventures

	Group 2025 RM	Group 2024 RM
Unquoted shares, at cost	26,390,528	27,448,577
Share of post-acquisition	316,523,685	222,674,869
	342,914,213	250,123,446

The details of the joint ventures are as follows:

Name of Joint Venture	Principal Place of Business/Country of Incorporation	Principal Activities	Percentage of Effective Interest Held 2025 %	Percentage of Effective Interest Held 2024 %
CN Energy Holdings Pte. Ltd. #	Singapore	Investment holding company.	50	50
Coastoil Dynamic, S.A. de C.V. #	Mexico	Operation of onshore gas processing facility.	50	50
Subsidiary of CN Energy Holdings Pte. Ltd.				
CN Energy Servicios, S.A. de C.V. *	Mexico	Dormant.	50	50
Subsidiary of Coastoil Dynamic, S.A. de C.V.				
Coastoil Dynamic Energy, S.A. de C.V. #	Mexico	Dormant.	50	50

\# Audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.
* Not required to be audited under the laws of the country of incorporation.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

16. Investments in Joint Ventures (cont'd)

(a) The Group's involvement in joint arrangement is structured through separate vehicles which provide the Group rights to the net assets of the entity. Accordingly, the Group has classified these investments as joint ventures.

(b) The summarised financial information after the alignment for the Group's accounting policies for the joint venture that is material to the Group is as follows:

	Coastoil Dynamic, S.A. de C.V.	
	2025	**2024**
	RM	**RM**
Non-current assets	588,872,093	642,252,108
Current assets	756,561,910	1,027,921,335
Non-current liabilities	(407,873,818)	(602,134,867)
Current liabilities	(236,100,057)	(554,276,079)
Net assets	701,460,128	513,762,497
Included in assets and liabilities are:		
- cash and cash equivalents	35,172,884	25,794,575
- non-current liabilities (excluding trade and other payables)	407,873,818	602,134,867
- current liabilities (excluding trade and other payables)	156,754,118	255,434,546
Revenue	697,573,987	755,446,844
Depreciation and amortisation	81,600,211	91,268,262
Interest expense	63,748,555	84,719,728
Income tax expense	54,954,513	59,613,581
Profit for the financial year	178,935,503	137,427,966
Other comprehensive income/(loss)	8,762,128	(115,967,163)
Total comprehensive income	187,697,631	21,460,803
Group's share of profit for the financial year	89,467,752	68,713,983
Group's share of other comprehensive income/(loss)	4,381,064	(57,983,582)
Reconciliation of net assets to carrying amount		
Group's share of net assets above	350,730,064	256,881,248
Foreign exchange translation reserve	(7,815,851)	(6,757,802)
Carrying amount of the Group's interests in this joint venture	342,914,213	250,123,446

(c) Summarised financial information has not been presented for CN Energy Holdings Pte. Ltd., CN Energy Servicios, S.A. de C.V. and Coastoil Dynamic Energy, S.A. de C.V. as these joint ventures are not material to the Group.

(d) The Group has not fully recognised losses relating to CN Energy Holdings Pte. Ltd., where its share of losses exceeded the Group's interest in the joint venture. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM261,095 (2024: RM246,921), of which RM14,174 (2024: RM10,176) relate to the share of the current financial year's losses. The Group has no obligation in respect of these losses.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

17. Property, Plant and Equipment

	Freehold land, buildings and workshops RM	Slipway and shipyard infrastructure RM	Vessels, offshore assets, heavy machinery and equipment RM	Motor vehicles RM	Telecommunication and office equipment, furniture, fittings and renovations RM	Construction work-in-progress RM	Total RM
Group							
Cost							
At 1 January 2024	12,646,330	37,593,945	1,010,516,273	5,732,200	3,176,135	23,304	1,069,688,187
Acquisition of a subsidiary	-	-	-	-	-	11,831,227	11,831,227
Additions	1,000,000	-	51,617	187,404	58,951	170,075	1,468,047
Disposals	-	-	(64,584,361)	(27,000)	-	-	(64,611,361)
Written off	-	-	-	-	(28,895)	-	(28,895)
Reclassification	-	-	140,789	-	-	(140,789)	-
Exchange differences	-	-	(26,651,255)	(101,577)	(16,608)	-	(26,769,440)
At 31 December 2024 and 1 January 2025	13,646,330	37,593,945	919,473,063	5,791,027	3,189,583	11,883,817	991,577,765
Additions	-	-	11,852,998	16,000	155,329	16,402,089	28,426,416
Disposals	-	-	(422,917)	-	(20,000)	-	(442,917)
Written off	(454,458)	(476,094)	(486,942)	-	(51,630)	-	(1,469,124)
Reclassification	-	142,980	-	-	-	(142,980)	-
Exchange differences	-	-	(89,792,024)	(65,760)	(16,966)	-	(89,874,750)
At 31 December 2025	13,191,872	37,260,831	840,624,178	5,741,267	3,256,316	28,142,926	928,217,390

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

17. Property, Plant and Equipment (cont'd)

	Freehold land, buildings and workshops RM	Slipway and shipyard infrastructure RM	Vessels, offshore assets, heavy machinery and equipment RM	Motor vehicles RM	Telecommunication and office equipment, furniture, fittings and renovations RM	Construction work-in-progress RM	Total RM
Group							
Accumulated depreciation and impairment loss							
At 1 January 2024	12,423,633	29,204,765	623,364,197	4,119,049	2,276,302	-	671,387,946
Depreciation charge for the year	98,590	1,165,664	31,017,216	420,349	117,555	-	32,819,374
Disposals	-	-	(21,744,758)	(26,999)	-	-	(21,771,757)
Written off	-	-	-	-	(27,358)	-	(27,358)
Impairment loss	-	-	20,033,910	-	-	-	20,033,910
Exchange differences	-	-	(17,488,882)	(35,339)	(13,520)	-	(17,537,741)
At 31 December 2024 and 1 January 2025	12,522,223	30,370,429	635,181,683	4,477,060	2,352,979	-	684,904,374
Depreciation charge for the year	76,161	1,164,206	30,226,634	422,630	98,643	-	31,988,274
Disposals	-	-	(285,165)	-	(19,999)	-	(305,164)
Written off	(416,993)	(461,528)	(483,852)	-	(51,404)	-	(1,413,777)
Exchange differences	-	-	(64,176,944)	(39,108)	(15,130)	-	(64,231,182)
At 31 December 2025	12,181,391	31,073,107	600,462,356	4,860,582	2,365,089	-	650,942,525
Net carrying amount							
At 31 December 2024	1,124,107	7,223,516	284,291,380	1,313,967	836,604	11,883,817	306,673,391
At 31 December 2025	1,010,481	6,187,724	240,161,822	880,685	891,227	28,142,926	277,274,865

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

17. Property, Plant and Equipment (cont'd)

	Furniture, fittings and office equipment RM
Company	
Cost	
At 1 January 2024	139,013
Additions	25,791
Disposal	(3,338)
Written off	(1,010)
At 31 December 2024 and 1 January 2025	160,456
Additions	25,248
Written off	(179)
At 31 December 2025	185,525
Accumulated depreciation	
At 1 January 2024	117,616
Depreciation charge for the year	10,883
Disposal	(3,060)
Written off	(1,009)
At 31 December 2024 and 1 January 2025	124,430
Depreciation charge for the year	12,543
Written off	(75)
At 31 December 2025	136,898
Net carrying amount	
At 31 December 2024	36,026
At 31 December 2025	48,627

Impairment of assets

At the previous reporting date, the Group conducted a review of the recoverable amount of its vessels and offshore asset within vessel chartering and gas processing segment. An impairment loss of RM20,033,910, representing the write-down of an offshore asset to the recoverable amount was recognised in "Other expenses" line item of the consolidated statement of profit or loss. The recoverable amounts of the vessels and offshore asset were measured at the fair value less costs to sell based on the valuation report prepared by an independent valuer.

Assets held under hire purchase arrangement

Included in the property, plant and equipment of the Group are motor vehicles with a total carrying amount of RM738,988 (2024: RM1,148,397) held under hire purchase arrangements. These assets are pledged as security for the hire purchase payables of the Group as disclosed in Note 26 to the financial statements.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

17. Property, Plant and Equipment (cont'd)

Assets pledged as security

The carrying amounts of property, plant and equipment pledged as security for borrowings (Note 26) are as follows:

	Group	
	2025 **RM**	**2024** **RM**
Buildings and workshops	11,070	124,696
Slipway and shipyard infrastructure	5,292,420	6,291,900
Vessels, offshore assets, heavy machinery and equipment	30,293,690	31,899,693
Motor vehicles	227,359	307,392
Telecommunication and office equipment, furniture, fittings and renovations	94,228	65,513
Construction work-in-progress	298,016	153,091
	36,216,783	38,842,285

Assets leased under operating leases

Certain vessels of the Group have been leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 60 days to 5 years (2024: 1 year to 5 years) and their subsequent renewals are negotiated separately on a contract by contract basis.

The Group requires 1 month of rental payments from the customers as security deposit. The leases do not include residual value guarantee and variable lease payments.

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

	Group	
	2025 **RM**	**2024** **RM**
Within 1 year	9,650,664	49,964,899
Between 1 and 2 years	3,366,667	4,680,000
Between 2 and 3 years	2,280,000	3,366,667
Between 3 and 4 years	490,322	2,280,000
Between 4 and 5 years	-	490,322
	15,787,653	60,781,888

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

18. Right-of-Use Assets

	Leasehold Land RM	Buildings RM	Total RM
Group			
Cost			
At 1 January 2024	7,260,024	5,685,528	12,945,552
Acquisition of a subsidiary	25,806,147	-	25,806,147
Modification of lease liabilities	-	1,106,126	1,106,126
Derecognition due to lease modification	-	(26,807)	(26,807)
Exchange differences	-	(257,588)	(257,588)
At 31 December 2024 and 1 January 2025	33,066,171	6,507,259	39,573,430
Addition	-	84,933	84,933
Modification of lease liabilities	-	1,128,675	1,128,675
Exchange differences	-	(183,670)	(183,670)
At 31 December 2025	33,066,171	7,537,197	40,603,368
Accumulated depreciation			
At 1 January 2024	1,063,095	4,158,203	5,221,298
Depreciation charge for the year	694,431	1,076,814	1,771,245
Derecognition due to lease modification	-	(26,807)	(26,807)
Exchange differences	-	(265,340)	(265,340)
At 31 December 2024 and 1 January 2025	1,757,526	4,942,870	6,700,396
Depreciation charge for the year	707,974	1,177,747	1,885,721
Exchange differences	-	(184,974)	(184,974)
At 31 December 2025	2,465,500	5,935,643	8,401,143
Net carrying amount			
At 31 December 2024	31,308,645	1,564,389	32,873,034
At 31 December 2025	30,600,671	1,601,554	32,202,225

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

18. Right-of-Use Assets (cont'd)

	Building RM
Company	
Cost	
At 1 January 2024, 31 December 2024 and 1 January 2025	34,558
Modification of lease liabilities	36,732
At 31 December 2025	71,290
Accumulated depreciation	
At 1 January 2024	23,084
Depreciation charge for the year	5,737
At 31 December 2024 and 1 January 2025	28,821
Depreciation charge for the year	5,737
At 31 December 2025	34,558
Net carrying amount	
At 31 December 2024	5,737
At 31 December 2025	36,732

(a) The Group leases certain pieces of leasehold land and buildings of which the leasing activities are summarised below:

(i) Leasehold land - The Group has entered into 17 non-cancellable operating lease agreements for the use of land. The leases are for periods ranging from 60 to 99 years.

(ii) Buildings - The Group have leased a number of buildings that run between 1 year and 3 years, with an option to renew the lease after that date. The Group is not allowed to sublease the buildings without prior consent of the lessors.

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

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

(d) Certain leasehold land of the Group with total carrying amount of RM3,796,944 (2024: RM3,869,987) has been pledged to a licensed bank as security for banking facilities granted to the Group.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

19. Investment Properties

	Group	
	2025	**2024**
	RM	**RM**
Cost		
At beginning and end of year	4,101,213	4,101,213
Accumulated depreciation		
At beginning of year	1,066,314	984,290
Depreciation charge for the year	82,024	82,024
At end of year	1,148,338	1,066,314
Net carrying amount	2,952,875	3,034,899

<u>Properties pledged as security</u>

Investment properties are mortgaged to secure a subsidiary's bank loan (Note 26).

<u>Fair value of investment properties</u>

The fair value of investment properties as at the reporting date amounted to approximately RM5,920,000 (2024: RM8,250,000).

Fair value hierarchy disclosures for investment properties have been disclosed in Note 36 to the financial statements.

Fair value is arrived at by reference to market evidence of transaction prices for similar properties.

<u>Properties leased under operating leases</u>

The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial periods ranging from 2 to 3 years and their subsequent renewals are negotiated separately on a contract by contract basis.

The Group requires 2 to 3 months of advanced rental payments from the customers. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

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

	Group	
	2025	**2024**
	RM	**RM**
Within 1 year	352,955	241,227
Between 1 and 2 years	282,687	31,355
Between 2 and 3 years	136,000	-
	771,642	272,582

20. Investment Securities

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM	**RM**	**RM**	**RM**
Quoted shares, at fair value	12,897,474	12,379,376	6,904,368	6,736,436

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

21. Inventories

	Group 2025 RM	Group 2024 RM
Cost		
Finished goods	3,948,275	4,349,935
Raw materials	10,648,754	6,804,105
Work-in-progress	199,682,030	108,110,629
Spare parts	7,714	7,714
	214,286,773	119,272,383
Inventories recognised as an expense in cost of sales	5,150,799	21,646,922

The work-in-progress represents costs incurred for unsold vessels under construction.

22. Trade and Other Receivables

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Current				
Trade receivables				
Third parties	347,503,151	359,336,840	-	-
Less: Allowance for impairment	(342,217,439)	(333,862,007)	-	-
Trade receivables, net	5,285,712	25,474,833	-	-
Other receivables				
Amounts due from subsidiaries	-	-	109,379,943	67,401,410
Amounts due from joint ventures	473,845	8,015,154	-	-
Deposits paid to suppliers and contractors	24,376,104	42,345,833	-	-
Deposits	1,491,333	3,624,367	249,300	238,089
Loan to a joint venture	-	42,410,976	-	-
Prepayments	2,075,646	9,035,561	17,785	24,894
Sundry receivables	12,729,652	16,182,758	8,669,936	9,658,015
	41,146,580	121,614,649	118,316,964	77,322,408
Less: Allowance for impairment	(33,169,881)	(37,048,493)	(8,397,693)	(9,657,628)
Other receivables, net	7,976,699	84,566,156	109,919,271	67,664,780
	13,262,411	110,040,989	109,919,271	67,664,780
Non-Current				
Other receivables				
Loan to a subsidiary	-	-	9,727,280	-
Total trade and other receivables	13,262,411	110,040,989	119,646,551	67,664,780

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

22. Trade and Other Receivables (cont'd)

Receivables that are impaired

The Group's trade and other receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	Trade		Non-trade	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Group				
Individually impaired:				
Receivables - nominal amounts	346,221,575	331,102,640	33,476,779	37,050,596
Less: Allowance for impairment	(342,164,780)	(331,102,640)	(33,169,881)	(37,048,493)
	4,056,795	-	306,898	2,103
Collectively impaired:				
Receivables - nominal amounts	1,281,576	28,234,200	1,675,978	53,871,428
Less: Allowance for impairment	(52,659)	(2,759,367)	-	-
	1,228,917	25,474,833	1,675,978	53,871,428

Movement in trade receivables' allowance accounts:

	2025 RM	**2024 RM**
Group		
At beginning of year	333,862,007	189,882,128
Charge for the year	41,315,980	152,913,623
Reversal of impairment loss	(674)	(689,319)
Written off	(9,124)	-
Exchange differences	(32,950,750)	(8,244,425)
At end of year	342,217,439	333,862,007

Movement in other receivables' allowance accounts:

	Amounts Due From Joint Ventures RM	**Deposits Paid RM**	**Sundry Receivables RM**	**Total RM**
Group				
2025				
At 1 January 2025	535,419	24,313,140	12,199,934	37,048,493
Charge for the year	27,752	-	2,105	29,857
Reversal of impairment loss	(79,164)	-	(1,274,268)	(1,353,432)
Written off	(66,773)	-	-	(66,773)
Exchange differences	(16,419)	(2,250,735)	(221,110)	(2,488,264)
At 31 December 2025	400,815	22,062,405	10,706,661	33,169,881

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

22. Trade and Other Receivables (cont'd)

Receivables that are impaired (cont'd)

Movement in other receivables' allowance accounts: (cont'd)

	Amounts Due From Joint Ventures RM	Deposits Paid RM	Sundry Receivables RM	Total RM
Group				
2024				
At 1 January 2024	536,818	27,113,130	10,119,235	37,769,183
Charge for the year	29,949	-	2,416,234	2,446,183
Reversal of impairment loss	-	(2,182,657)	(247,187)	(2,429,844)
Exchange differences	(31,348)	(617,333)	(88,348)	(737,029)
At 31 December 2024	535,419	24,313,140	12,199,934	37,048,493

The Company's other receivables that are impaired at the reporting date and the movement of allowance accounts used to record the impairment are as follows:

	Individually Impaired 2025 RM	2024 RM
Company		
Receivables - nominal amounts	8,397,693	9,657,628
Less: Allowance for impairment	(8,397,693)	(9,657,628)
	-	-

Movement in allowance accounts:

	Sundry Receivables RM
Company	
2025	
At 1 January 2025	9,657,628
Reversal of impairment loss	(1,259,935)
At 31 December 2025	8,397,693

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

22. Trade and Other Receivables (cont'd)

Receivables that are impaired (cont'd)

Movement in allowance accounts: (cont'd)

	Amounts Due From Subsidiaries RM	Sundry Receivables RM	Total RM
Company			
2024			
At 1 January 2024	20,448,450	9,904,706	30,353,156
Reversal of impairment loss	(20,448,450)	(247,078)	(20,695,528)
At 31 December 2024	-	9,657,628	9,657,628

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

(a) Trade receivables

Trade receivables are on 30 days to 45 days (2024: 30 days to 45 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables comprised mainly the outstanding bareboat charter hire proceeds of the Group including interest charges of approximately RM298.1 million (2024: RM328.5 million).

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	2025 RM	2024 RM
Not past due	779	5,820,653
1 to 30 days past due	395,698	5,650,724
31 to 120 days past due	4,881,735	12,462,840
121 to 365 days past due	449	2,217,970
More than 365 days past due	59,710	2,082,013
	5,337,592	22,413,547
Total	5,338,371	28,234,200
Credit impaired	342,164,780	331,102,640
	347,503,151	359,336,840

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

22. Trade and Other Receivables (cont'd)

(b) Other receivables

Other receivables comprised mainly:

(i) Amounts due from subsidiaries

The amounts due are non-trade in nature, unsecured, non-interest bearing and are repayable on demand. The amounts due are to be settled in cash.

(ii) Sundry receivables – Amount claimable from a joint venture party

Pursuant to the Memorandum of Understanding ("MOU") entered into between the Company and three venturers on 30 July 2016, the Company has paid an initial refundable and secured deposit of USD6 million (approximately RM24 million) to form a joint venture to undertake a liquefied natural gas related project in Indonesia.

The Company had on 15 December 2017 filed an Arbitration Petition against the joint venture party and its guarantors ("Respondents") for breach of the MOU and two (2) Deeds of Personal Guarantee in favour of the Company. In October 2018, the Tribunal had, vide the Final Award declared that the Respondents were in breach of the MOU and requested to pay the Company the sum of USD4,349,759, which consist of the amount of the Outstanding Deposit of USD3,846,837 and the interest in the amount of USD502,922.

As at the reporting date, the outstanding amount receivable from the joint venture party including interest charges amounted to approximately RM8.4 million (2024: RM9.7 million).

(iii) Loan to a joint venture

Loan to a joint venture was for the purpose of financing the construction of a gas conditioning plant in Mexico. The loan was secured, interest bearing and repayable on demand. The loan was fully settled during the financial year.

(iv) Loan to a subsidiary

Loan to a subsidiary is for the purpose of financing the construction of a solar photovoltaic plant. The loan is unsecured, interest bearing and repayable through a single bullet payment by a project loan.

23. Contract Assets/(Liabilities)

	Group	
	2025 RM	**2024 RM**
Contract assets		
Contract assets relating to vessel repairing services	87,503	376,292
Contract liabilities		
Contract liabilities relating to property letting	-	(994)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

23. Contract Assets/(Liabilities) (cont'd)

(a) The changes to contract assets balances during the financial year are as follows:

	Group	
	2025 RM	**2024 RM**
At beginning of year	376,292	5,560,222
Performance obligations performed	590,860	14,282,981
Transfer to trade receivables	(879,649)	(19,466,911)
At end of year	87,503	376,292

The contract assets primarily relate to the Group's right to consideration for vessel repairing services 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.

(b) The changes to contract liabilities balances during the financial year are as follows:

	Group	
	2025 RM	**2024 RM**
At beginning of year	(994)	(6,757,871)
Amount received for future performance obligation	-	(10,678,954)
Performance obligations performed	994	17,435,831
At end of year	-	(994)

The contract liabilities primarily related to advance consideration received from customers for property letting. The amount was recognised as revenue when the performance obligations were satisfied.

24. Short-Term Investments

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Fixed income fund, at fair value	55,222,416	12,134,868	49,284,257	6,135,632
Money market fund, at fair value	425,267,968	560,633,432	425,052,977	560,261,559
Wholesale feeder fund, at fair value	207,644,864	201,599,847	207,644,864	201,599,847
	688,135,248	774,368,147	681,982,098	767,997,038

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

25. Cash and Cash Equivalents

(a) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Cash on hand and at banks	81,842,556	206,015,549	37,424,614	167,196,030
Short-term deposits with licensed banks	88,060,978	61,572,141	3,889,832	938,548
	169,903,534	267,587,690	41,314,446	168,134,578
Less: Fixed deposits pledged to a licenced bank	(2,700,000)	-	(2,700,000)	-
Cash and cash equivalents	167,203,534	267,587,690	38,614,446	168,134,578

Short-term deposits of the Group are made for varying periods of between 2 days and 182 days (2024: 2 days and 91 days) depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The interest rates as at 31 December 2025 for the Group and the Company ranged from 1.25% to 3.60% p.a. (2024: 2.36% to 4.75% p.a.) and 1.25% to 2.20% p.a. (2024: 2.36% to 3.02% p.a.) respectively.

Included in the short-term deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM2,700,000 (2024: Nil) which has been pledged to a licensed bank as security for a bank guarantee granted to the Company.

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

	Loans and Borrowings RM	**Lease Liabilities RM**	**Total RM**
Group			
2025			
At 1 January 2025	30,943,049	1,123,963	32,067,012
Changes in financing cash flows:			
- Repayment of principal	(17,213,483)	(1,160,954)	(18,374,437)
- Payment of interest	(1,365,351)	(21,529)	(1,386,880)
	(18,578,834)	(1,182,483)	(19,761,317)
Non-cash changes:			
- Acquisition of new leases	-	84,933	84,933
- Modification of leases	-	1,128,675	1,128,675
- Amortisation of transaction costs capitalised	126,693	-	126,693
- Interest expense recognised in profit or loss (Note 9)	1,295,054	21,529	1,316,583
- Accrual of interest	71,949	-	71,949
- Foreign exchange adjustment	(108,336)	1,533	(106,803)
	1,385,360	1,236,670	2,622,030
At 31 December 2025	13,749,575	1,178,150	14,927,725

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

25. Cash and Cash Equivalents (cont'd)

(b) The reconciliation of liabilities arising from financing activities are as follows: (cont'd)

	Loans and Borrowings RM	Lease Liabilities RM	Total RM
Group			
2024			
At 1 January 2024	55,686,029	1,085,000	56,771,029
Changes in financing cash flows:			
- Proceeds from drawdown	22,405	-	22,405
- Repayment of principal	(24,375,858)	(1,074,620)	(25,450,478)
- Payment of interest	(2,986,941)	(20,435)	(3,007,376)
	(27,340,394)	(1,095,055)	(28,435,449)
Non-cash changes:			
- Modification of leases	-	1,106,126	1,106,126
- Amortisation of transaction costs capitalised	126,693	-	126,693
- Interest expense recognised in profit or loss (Note 9)	2,948,551	20,435	2,968,986
- Accrual of interest	39,843	-	39,843
- Foreign exchange adjustment	(517,673)	7,457	(510,216)
	2,597,414	1,134,018	3,731,432
At 31 December 2024	30,943,049	1,123,963	32,067,012
Company			
2025			
At 1 January 2025	16,656,432	5,861	16,662,293
Changes in financing cash flows:			
- Repayment of principal	(16,783,125)	(5,861)	(16,788,986)
- Payment of interest	(640,253)	(139)	(640,392)
	(17,423,378)	(6,000)	(17,429,378)
Non-cash changes:			
- Modification of leases	-	36,732	36,732
- Amortisation of transaction costs capitalised	126,693	-	126,693
- Interest expense recognised in profit or loss (Note 9)	592,937	139	593,076
- Accrual of interest	47,316	-	47,316
	766,946	36,871	803,817
At 31 December 2025	-	36,732	36,732

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

25. Cash and Cash Equivalents (cont'd)

(b) The reconciliation of liabilities arising from financing activities are as follows: (cont'd)

	Loans and Borrowings RM	Lease Liabilities RM	Total RM
Company			
2024			
At 1 January 2024	34,171,614	11,474	34,183,088
Changes in financing cash flows:			
- Repayment of principal	(17,212,500)	(5,613)	(17,218,113)
- Payment of interest	(2,195,147)	(387)	(2,195,534)
	(19,407,647)	(6,000)	(19,413,647)
Non-cash changes:			
- Amortisation of transaction costs capitalised	126,693	-	126,693
- Interest expense recognised in profit or loss (Note 9)	2,130,671	387	2,131,058
- Accrual of interest	64,476	-	64,476
- Foreign exchange adjustment	(429,375)	-	(429,375)
	1,892,465	387	1,892,852
At 31 December 2024	16,656,432	5,861	16,662,293

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Payment of short-term leases	31,353	30,104	-	-
Interest paid on lease liabilities	21,529	20,435	139	387
Payment of lease liabilities	1,160,954	1,074,620	5,861	5,613
	1,213,836	1,125,159	6,000	6,000

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

26. Loans and Borrowings

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Current				
Secured:				
Hire purchase payables	185,495	182,298	-	-
Revolving credits	12,000,000	12,000,000	-	-
Term loan	211,966	247,088	-	-
	12,397,461	12,429,386	-	-
Unsecured:				
Loan from non-controlling interests	811,359	894,055	-	-
Term loan	-	16,656,432	-	16,656,432
	811,359	17,550,487	-	16,656,432
	13,208,820	29,979,873	-	16,656,432
Non-Current				
Secured:				
Hire purchase payables	540,755	751,463	-	-
Term loan	-	211,713	-	-
	540,755	963,176	-	-
Total loans and borrowings	13,749,575	30,943,049	-	16,656,432

The remaining maturities of the loans and borrowings are as follows:

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
On demand or within one year	13,208,820	29,979,873	-	16,656,432
More than 1 year and less than 2 years	194,282	403,082	-	-
More than 2 years and less than 5 years	346,473	484,426	-	-
5 years or more	-	75,668	-	-
	13,749,575	30,943,049	-	16,656,432

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

26. Loans and Borrowings (cont'd)

(a) The borrowings of the Group are secured by:

(i) Legal charge over the investment properties, leasehold land and motor vehicles of certain subsidiaries as disclosed in Notes 17, 18 and 19 to the financial statements;

(ii) A debenture covering fixed and floating charges over all present and future assets of a subsidiary as disclosed in Note 17 to the financial statements;

(iii) Legal charge over the shares of a subsidiary; and

(iv) Corporate guarantee given by the Company and a subsidiary.

(b) The major covenants of a term loan were as follows:

(i) Net total external borrowings to tangible net worth shall not exceed 1.25 times;

(ii) Shall not incur any additional financing exceeding RM500,000,000 (or its equivalent in foreign currency);

(iii) Ensure one of the subsidiary does not pledge, charge and/or assign any of its existing or future assets; and

(iv) Ensure the subsidiary does not transfer, novate, reduce, dispose and/or sell any shares in a joint venture.

The financial covenant (i) was tested on a semi-annual basis. The Group had complied with the covenants throughout the reporting periods.

(c) All the borrowings except hire purchase payables and loan from non-controlling interests bear floating interest/profit rate. The range of the interest rates and profit sharing (per annum) during the financial year for borrowings are as follows:

	2025	2024
Group		
Hire purchase payables	3.66% - 5.32%	3.66% - 5.32%
RM revolving credits	1.25% above COF	1.25% above COF
RM term loan	1.85% below BLR	1.85% below BLR
USD term loan	2.30% above COF	2.30% above COF
Company		
USD term loan	2.30% above COF	2.30% above COF

(d) The currency exposure profile of borrowings is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	12,309,373	12,593,597	-	-
Singapore Dollar	628,843	798,965	-	-
United States Dollar	811,359	17,550,487	-	16,656,432
	13,749,575	30,943,049	-	16,656,432

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

27. Lease Liabilities

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
At beginning of year	1,123,963	1,085,000	5,861	11,474
Acquisition of new leases	84,933	-	-	-
Interest expense recognised in profit or loss (Note 9)	21,529	20,435	139	387
Changes due to lease modification	1,128,675	1,106,126	36,732	-
Repayment of principal	(1,160,954)	(1,074,620)	(5,861)	(5,613)
Payment of interest expense	(21,529)	(20,435)	(139)	(387)
Exchange differences	1,533	7,457	-	-
At end of year	1,178,150	1,123,963	36,732	5,861
Analysed by:				
Current liabilities	1,124,556	1,109,972	17,972	5,861
Non-current liabilities	53,594	13,991	18,760	-
	1,178,150	1,123,963	36,732	5,861

28. Trade and Other Payables

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Current				
Trade payables				
Third parties	10,578,205	9,024,301	-	-
Other payables				
Accruals	6,060,621	6,531,435	210,375	254,826
Deposits received from vessel buyer	3,442,998	-	-	-
Deposits received from vessel charterers	400,000	400,000	-	-
Other deposits	210,213	189,909	-	-
Sundry payables	24,521,009	26,101,100	41,035	47,818
	34,634,841	33,222,444	251,410	302,644
Total trade and other payables	45,213,046	42,246,745	251,410	302,644

(a) Trade payables

These amounts are non-interest bearing. The terms granted by trade payables normally range from 30 days to 90 days (2024: 30 days to 90 days).

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of four months.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

29. Deferred Tax Liabilities

Deferred income tax as at 31 December 2025 relates to the following:

	As at 1 January 2024	Recognised in profit or loss (Note 13)	Exchange differences	As at 31 December 2024/ 1 January 2025	Recognised in profit or loss (Note 13)	Exchange differences	As at 31 December 2025
	RM	RM	RM	RM	RM	RM	RM
Group							
Deferred tax liabilities:							
Property, plant and equipment	4,972,804	496,086	-	5,468,890	588,009	-	6,056,899
Right-of-use assets	387,238	26,934	-	414,172	(14,874)	-	399,298
Inventories	-	-	-	-	110,435	-	110,435
Receivables	678,212	641,100	(40,970)	1,278,342	3,896	(139,887)	1,142,351
Others	5,648	(5,098)	-	550	66,649	-	67,199
	6,043,902	1,159,022	(40,970)	7,161,954	754,115	(139,887)	7,776,182
Deferred tax assets:							
Inventories	(71,525)	34,269	-	(37,256)	37,256	-	-
Lease liabilities	(18,727)	(34,777)	-	(53,504)	6,955	-	(46,549)
Loans and borrowings	(1,333)	1,333	-	-	-	-	-
Tax losses and unabsorbed capital allowances	(3,822,942)	(852,585)	-	(4,675,527)	(941,348)	-	(5,616,875)
Others	-	(315,666)	-	(315,666)	302,497	-	(13,169)
	(3,914,527)	(1,167,426)	-	(5,081,953)	(594,640)	-	(5,676,593)
	2,129,375	(8,404)	(40,970)	2,080,001	159,475	(139,887)	2,099,589

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

29. Deferred Tax Liabilities (cont'd)

Deferred income tax as at 31 December 2025 relates to the following: (cont'd)

	As at 1 January 2024 RM	Recognised in profit or loss (Note 13) RM	As at 31 December 2024/ 1 January 2025 RM	Recognised in profit or loss (Note 13) RM	As at 31 December 2025 RM
Company					
Deferred tax liabilities:					
Property, plant and equipment	2,365	2,169	4,534	(662)	3,872
Right-of-use assets	2,754	(1,377)	1,377	7,439	8,816
Receivables	55	38	93	4,451	4,544
	5,174	830	6,004	11,228	17,232
Deferred tax assets:					
Lease liabilities	(2,754)	1,347	(1,407)	(7,409)	(8,816)
	2,420	2,177	4,597	3,819	8,416

Deferred tax assets have not been recognised in respect of the following items:

	Group 2025 RM	Group 2024 RM
Unused tax losses		
- Expiring within 5 years	12,918,454	10,517,805
- Expiring within 6 to 10 years	17,839,640	17,018,409
Unabsorbed capital allowances	11,842,817	15,243,189
Deductible temporary differences	700,527	764,512
	43,301,438	43,543,915

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 (cont'd.)

30. Share Capital and Treasury Shares

	Group and Company			
	Number of Shares		Amount	
	Ordinary Shares with No Par Value (Issued and Fully Paid)	Treasury Shares	Share Capital (Issued and Fully Paid) RM	Treasury Shares RM
At 1 January 2024	546,882,121	(14,506,200)	321,263,127	(17,017,519)
Ordinary shares issued under ESOS	3,003,300	-	3,701,567	-
At 31 December 2024 and 1 January 2025	549,885,421	(14,506,200)	324,964,694	(17,017,519)
Ordinary shares issued under ESOS	9,053,790	-	11,158,796	-
Purchase of treasury shares	-	(3,218,000)	-	(4,096,936)
At 31 December 2025	558,939,211	(17,724,200)	336,123,490	(21,114,455)

(a) Share Capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(b) Treasury Shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

(c) Employees' Share Option Scheme ("ESOS")

The Employees' Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 16 December 2021. The ESOS is to be in force for a period of 5 years effective from 16 December 2021.

The salient features of the ESOS are as follows:

(i) the maximum number of options to be offered under the ESOS shall not exceed ten percent (10%) of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS, or such percentage that may be permitted by the relevant regulatory authorities during the duration of the ESOS.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

30. Share Capital and Treasury Shares (cont'd)

(c) Employees' Share Option Scheme ("ESOS") (cont'd)

The salient features of the ESOS are as follows: (cont'd)

(ii) the aggregate maximum number of options that may be offered and allocated to the various grades of eligible employees shall be subject to the following:

(a) not more than eighty percent (80%) of the options available under the ESOS should be allocated, in aggregate, to the directors and senior management of the Group; and

(b) not more than ten percent (10%) of the options available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through persons connected with the eligible employees, holds twenty percent (20%) or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any).

(iii) Subject to the discretion of the ESOS Committee, employees who have been confirmed in the employment of the Group and not under a probationary period, and non-executive Directors who have been appointed for at least 1 year, shall be eligible to participate.

(iv) The exercise price shall be determined by the ESOS Committee based on the 5-day volume weighted average market price of ordinary shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%.

(v) The new shares to be allotted and issued upon any exercise of the options shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company save and except that the new shares will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to shareholders of the Company, for which the entitlement date of which is prior to the date of allotment of the new shares and shall be subject to the provisions of the Constitution of the Company.

The option prices and the details in the movement of the options granted are as follows:

		Number of Options Over Unissued Ordinary Shares			
Date of Offer	**Exercise Price**	**1.1.2025**	**Forfeited**	**Exercised**	**31.12.2025**
16.12.2021	RM0.99	33,686,110	(101,300)	(9,053,790)	24,531,020

The options forfeited during the financial year were due to resignations of employees.

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of any other company.

The fair value of the share options granted were estimated using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions used were as follows:

	Date of Offer 16.12.2021
Fair value at grant date (RM)	0.2425
Weighted average share price (RM)	1.10
Exercise price (RM)	0.99
Expected volatility (%)	5
Option life (years)	5
Expected dividend yield (%)	0
Risk free rate (%)	2.96

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

31. Other Reserves

Group	Foreign Currency Translation Reserve RM	Share Option Reserve RM	Total RM
At 1 January 2024	370,990,797	8,930,133	379,920,930
Other comprehensive loss:			
Foreign currency translation	(59,709,845)	-	(59,709,845)
Share of joint venture's foreign currency translation	(57,983,582)	-	(57,983,582)
Total other comprehensive loss	(117,693,427)	-	(117,693,427)
Share options:			
- share options exercised	-	(728,300)	(728,300)
- value of options forfeited	-	(32,951)	(32,951)
	-	(761,251)	(761,251)
At 31 December 2024 and 1 January 2025	253,297,370	8,168,882	261,466,252
Other comprehensive (loss)/income:			
Foreign currency translation	(35,941,304)	-	(35,941,304)
Share of joint venture's foreign currency translation	4,381,064	-	4,381,064
Total other comprehensive loss	(31,560,240)	-	(31,560,240)
Share options:			
- share options exercised	-	(2,195,544)	(2,195,544)
- value of options forfeited	-	(24,565)	(24,565)
	-	(2,220,109)	(2,220,109)
At 31 December 2025	221,737,130	5,948,773	227,685,903

Company	Share Option Reserve RM
At 1 January 2024	8,930,133
Share options:	
- share options exercised	(728,300)
- value of options forfeited	(32,951)
At 31 December 2024 and 1 January 2025	8,168,882
Share options:	
- share options exercised	(2,195,544)
- value of options forfeited	(24,565)
At 31 December 2025	5,948,773

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

31. Other Reserves (cont'd)

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

32. Retained Earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2025 and 31 December 2024 under the single tier system.

33. Related Party Transactions

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	2025 RM	2024 RM
Group		
Transactions with a company in which certain Directors of the Group are also directors and have financial interests:		
- Rental of premises	20,332	20,034
Transactions with a Director of the Company:		
- Rental of premises	38,973	39,031
Transactions with Directors of the Group:		
- Rental of premises	17,500	400
Transactions with a joint venture:		
- Interest income	1,279,292	78,939,459
- Service fee income	1,752,277	2,734,177
Remuneration for employment services provided by close members of the family of Directors:*		
Salaries, wages and bonuses	590,826	616,900
Contributions to defined contribution benefits	52,805	55,135
	643,631	672,035

The estimated monetary value of benefits-in-kind provided by the Group to the close members of the family of Directors was RM22,602 (2024: RM22,993).

* Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;
(b) children of that person's spouse or domestic partner; and
(c) dependants of that person or that person's spouse or domestic partner.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

33. Related Party Transactions (cont'd)

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year: (cont'd)

	2025 RM	2024 RM
Company		
Transactions with subsidiaries:		
Coastal Transport (Sandakan) Sdn. Bhd.		
- Rental of premises	6,000	6,000
Coastal Offshore (Labuan) Pte. Ltd.		
- Dividend income	-	44,461,868
Pleasant Engineering Sdn. Bhd.		
- Disposal of plant and equipment	-	1,000
Coastal Solar Sdn. Bhd.		
- Interest income	21,320	-
Coastal Marine Pte. Ltd.		
- Dividend income	-	35,846,400
Coastal Drilling Pte. Ltd.		
- Dividend income	-	1,244,334
Ace Capital Pte. Ltd.		
- Dividend income	926,961	-

(b) Compensation of key management personnel

The remuneration of Directors and other members of key management during the year are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Short-term employee benefits	8,247,839	8,205,386	524,200	528,000
Defined contribution benefits	315,733	306,995	46,800	46,800
	8,563,572	8,512,381	571,000	574,800

The estimated monetary value of benefits-in-kind provided by the Group to the Directors and other members of key management was RM122,458 (2024: RM127,372).

34. Capital Commitments

	Group	
	2025 RM	2024 RM
Property, plant and equipment	34,039,539	50,000,000

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

35. Contingent Liabilities

The nominal value of the financial guarantee contracts given by the Company are as follows:

	Company	
	2025 RM	2024 RM
Corporate guarantees given to financial institutions in respect of banking facilities granted to the subsidiaries	54,213,500	40,000,000

The fair value of the financial guarantee contracts given to the financial institutions for banking facilities granted to the subsidiaries are deemed immaterial as the Company considered the financial guarantees 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.

36. Fair Value Measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at 31 December 2025 and 31 December 2024.

			Fair value measurement using		
	Date of valuation	Total RM	Quoted prices in active markets (level 1) RM	Significant observable inputs (level 2) RM	Significant unobservable inputs (level 3) RM
Group					
Assets measured at fair value:					
Investment securities	31 December 2025	12,897,474	12,897,474	-	-
Short-term investments	31 December 2025	688,135,248	688,135,248	-	-
Assets for which fair values are disclosed:					
Investment properties: - Office properties	31 December 2025	5,920,000	-	5,920,000	-
Liabilities for which fair values are disclosed:					
Hire purchase payables (non-current)	31 December 2025	513,944	-	-	513,944
Company					
Assets measured at fair value:					
Investment securities	31 December 2025	6,904,368	6,904,368	-	-
Short-term investments	31 December 2025	681,982,098	681,982,098	-	-

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

36. Fair Value Measurement (cont'd)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at 31 December 2025 and 31 December 2024. (cont'd)

	Date of valuation	Total RM	Fair value measurement using: Quoted prices in active markets (level 1) RM	Significant observable inputs (level 2) RM	Significant unobservable inputs (level 3) RM
Group					
Assets measured at fair value:					
Investment securities	31 December 2024	12,379,376	12,379,376	-	-
Short-term investments	31 December 2024	774,368,147	774,368,147	-	-
Assets for which fair values are disclosed:					
Investment properties: - Office properties	31 December 2024	8,250,000	-	8,250,000	-
Liabilities for which fair values are disclosed:					
Hire purchase payables (non-current)	31 December 2024	714,779	-	-	714,779
Company					
Assets measured at fair value:					
Investment securities	31 December 2024	6,736,436	6,736,436	-	-
Short-term investments	31 December 2024	767,997,038	767,997,038	-	-

There have been no transfers between level 1 and level 2 during the year.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

37. Fair Value of Financial Instruments

The following are classes of financial instruments that are not carried at fair value and whose carrying amount are not reasonable approximation of fair value:

	Carrying amount		Fair value	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Group				
Financial liabilities				
Hire purchase payables (non-current)	540,755	751,463	513,944	714,779

The management assessed that cash and bank balances, loans and borrowings except for hire purchase payables (non-current), trade and other payables, trade and other receivables (current) except for prepayments and deposits paid to suppliers and contractors approximate their carrying amounts largely due to their short-term nature or that they are floating rate investments that are re-priced to market interest rates on or near the reporting date.

The fair values of the financial assets and liabilities are included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value:

Hire purchase payables

The fair values of these financial instruments are estimated by discounting expected future cash flows at market interest rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

38. Financial Risk Management Objectives and Policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. 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.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.

- A nominal amount of RM54,213,500 (2024: RM40,000,000) relating to corporate guarantees provided by the Company to banks on certain subsidiaries' bank borrowings.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(a) Credit Risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2025		2024	
	RM	% of total	RM	% of total
By country:				
Mexico	298,076,819	86%	328,457,471	91%
Saudi Arabia	45,666,329	13%	26,964,000	8%
Others	3,760,003	1%	3,915,369	1%
	347,503,151	100%	359,336,840	100%

Assessment of impairment losses

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 when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

(i) Trade receivables and contract assets

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

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same 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.

The Group considers any receivables having financial difficulty, are deemed credit impaired.

The expected loss rates are based on the customers' payment profiles and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(a) Credit Risk (cont'd)

Assessment of impairment losses (cont'd)

(i) Trade receivables and contract assets (cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables and contract assets are summarised below:

	Gross amount RM	Lifetime individual allowance RM	Lifetime collective allowance RM	Carrying amount RM
Group				
2025				
Not past due	779	-	-	779
1 to 30 days past due	395,698	-	-	395,698
31 to 120 days past due	4,881,735	-	-	4,881,735
121 to 365 days past due	449	-	-	449
More than 365 days past due	59,710	-	(52,659)	7,051
Credit impaired	342,164,780	(342,164,780)	-	-
Trade receivables	347,503,151	(342,164,780)	(52,659)	5,285,712
Contract assets	87,503	-	-	87,503
	347,590,654	(342,164,780)	(52,659)	5,373,215
2024				
Not past due	5,820,653	-	(40,422)	5,780,231
1 to 30 days past due	5,650,724	-	(38,761)	5,611,963
31 to 120 days past due	12,462,840	-	(234,998)	12,227,842
121 to 365 days past due	2,217,970	-	(369,799)	1,848,171
More than 365 days past due	2,082,013	-	(2,075,387)	6,626
Credit impaired	331,102,640	(331,102,640)	-	-
Trade receivables	359,336,840	(331,102,640)	(2,759,367)	25,474,833
Contract assets	376,292	-	-	376,292
	359,713,132	(331,102,640)	(2,759,367)	25,851,125

The movements in the loss allowances in respect of trade receivables are disclosed in Note 22 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(a) Credit Risk (cont'd)

Assessment of impairment losses (cont'd)

(ii) Other receivables

Other receivables are also subject to the impairment requirements of MFRS 9. The Group applies the 3-stage general approach to measure expected credit losses for other receivables. Loss allowance is measured on either 12 month ECL or lifetime ECL.

To measure the expected credit losses, the Group considers historical data and assessed forward-looking macroeconomic data which may affect the ability of the debtors to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for other receivables are summarised below:

	Gross amount RM	Lifetime loss allowance RM	Carrying amount RM
2025			
Group			
Significant increase in credit risk	37,579,601	(33,169,881)	4,409,720
Company			
Significant increase in credit risk	8,669,936	(8,397,693)	272,243
2024			
Group			
Significant increase in credit risk	108,954,721	(37,048,493)	71,906,228
Company			
Significant increase in credit risk	9,658,015	(9,657,628)	387

The movements in the loss allowances are disclosed in Note 22 to the financial statements.

(iii) Fixed deposits with licensed banks, cash and bank balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(a) Credit Risk (cont'd)

Assessment of impairment losses (cont'd)

(iv) Amounts due from subsidiaries

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances. Generally, 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 subsidiaries' 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. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

At the reporting date, the Company considers the amounts due from subsidiaries have low credit risks. Therefore, the Company is of the view that the loss allowance is immaterial and hence, it is not provided for.

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness. At the reporting date, approximately 96% (2024: 94%) of the Group's loans and borrowings (Note 26) will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted amount.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
2025				
Financial liabilities:				
Trade and other payables	45,213,046	-	-	45,213,046
Loans and borrowings	13,242,918	580,975	-	13,823,893
Lease liabilities	1,145,969	55,000	-	1,200,969
Total undiscounted financial liabilities	59,601,933	635,975	-	60,237,908
2024				
Financial liabilities:				
Trade and other payables	42,246,745	-	-	42,246,745
Loans and borrowings	31,378,304	963,244	76,778	32,418,326
Lease liabilities	1,128,673	14,400	-	1,143,073
Total undiscounted financial liabilities	74,753,722	977,644	76,778	75,808,144

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(b) Liquidity Risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted amount. (cont'd)

	On demand or within one year RM	One to five years RM	Total RM
Company			
2025			
Financial liabilities:			
Trade and other payables	251,410	-	251,410
Lease liabilities	19,200	19,200	38,400
Total undiscounted financial liabilities	270,610	19,200	289,810
2024			
Financial liabilities:			
Trade and other payables	302,644	-	302,644
Loans and borrowings	17,998,391	-	17,998,391
Lease liabilities	6,000	-	6,000
Total undiscounted financial liabilities	18,307,035	-	18,307,035

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2024: less than 6 months) from the reporting date.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(c) Interest Rate Risk (cont'd)

Sensitivity analysis for interest rate risk

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's (loss)/profit net of tax through the impact on interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

	2025		2024	
	Interest rate	**Effect on loss net of tax RM**	**Interest rate**	**Effect on profit net of tax RM**
Ringgit Malaysia	+ 0.50%	46,405	+ 0.50%	(47,343)
Ringgit Malaysia	- 0.50%	(46,405)	- 0.50%	47,343
United States Dollar	-	-	+ 1.50%	(191,328)
United States Dollar	-	-	- 1.50%	191,328

(d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or expenses that are denominated in a currency other than the respective functional currencies of the Group entities, primarily RM, United States Dollar ("USD"), Singapore Dollar ("SGD") and Mexican Peso ("MXN"). The major foreign currencies in which these transactions are denominated are RM, USD and SGD.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including The British Virgin Islands, Singapore and Mexico. These investments are not hedged as currency positions in USD, SGD and MXN are considered to be long-term in nature.

The Group's exposure to foreign currency risk, based on the carrying amounts of the financial assets and financial liabilities not denominated in RM, which is one of the Group's entities functional currency as at the end of the reporting period was as follows:

	2025		2024	
	USD/RM RM	**SGD/RM RM**	**USD/RM RM**	**SGD/RM RM**
Group				
Financial assets:				
Cash and cash equivalents	34,217,643	1,646,288	167,331,256	1,350,599
Investment securities	-	7,183,377	-	6,836,877
Short-term investments	577,384,518	-	761,813,365	-
Due from related companies	107,875,204	-	23,644,723	-
Trade receivables	6,606	-	7,280	-
Other receivables	8,397,694	-	9,657,628	-
	727,881,665	8,829,665	962,454,252	8,187,476

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(d) Foreign Currency Risk (cont'd)

The Group's exposure to foreign currency risk, based on the carrying amounts of the financial assets and financial liabilities not denominated in RM, which is one of the Group's entities functional currency as at the end of the reporting period was as follows: (cont'd)

	2025		2024	
	USD/RM RM	**SGD/RM RM**	**USD/RM RM**	**SGD/RM RM**
Group (cont'd)				
Financial liabilities:				
Loans and borrowings	-	-	16,656,432	-
Due to related companies	-	680,806	22,556,520	1,491,982
Trade payables	2,635,311	229,939	1,482,509	358,542
Other payables	27,298	-	-	-
	2,662,609	910,745	40,695,461	1,850,524
Currency exposure	725,219,056	7,918,920	921,758,791	6,336,952

The Group's exposure to foreign currency risk, based on the carrying amounts of the financial assets and financial liabilities not denominated in SGD, which is one of the Group's entities functional currency as at the end of the reporting period was as follows:

	2025		2024	
	USD/SGD RM	**RM/SGD RM**	**USD/SGD RM**	**RM/SGD RM**
Group				
Financial assets:				
Cash and cash equivalents	69,933,835	964	25,663,149	964
Loan to subsidiary	3,245,750	-	3,576,208	-
Due from related companies	265,421	-	51,784,818	-
Other receivables	-	-	134,495	-
	73,445,006	964	81,158,670	964
Financial liabilities:				
Due to related companies	539,913	2,137,122	594,884	2,137,568
Other payables	61,142	33,993	67,197	33,993
	601,055	2,171,115	662,081	2,171,561
Currency exposure	72,843,951	(2,170,151)	80,496,589	(2,170,597)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(d) Foreign Currency Risk (cont'd)

The Group's exposure to foreign currency risk, based on the carrying amounts of the financial assets and financial liabilities not denominated in MXN, which is one of the Group's entities functional currency as at the end of the reporting period was as follows:

	2025 USD/MXN RM	2024 USD/MXN RM
Group		
Financial assets:		
Cash and cash equivalents	142,993	234,889
Due from related companies	6,744,270	7,599,068
Other receivables	101,606	114,484
	6,988,869	7,948,441
Financial liability:		
Due to related companies	319	-
Currency exposure	6,988,550	7,948,441

The Group's exposure to foreign currency risk, based on the carrying amounts of the financial assets and financial liabilities not denominated in USD, which is one of the Group's entities functional currency as at the end of the reporting period was as follows:

	2025		2024	
	SGD/USD RM	RM/USD RM	SGD/USD RM	RM/USD RM
Group				
Financial assets:				
Cash and cash equivalents	1,028,753	234,912	2,900,843	612,071
Due from related companies	4,264,440	80,660	4,079,588	80,660
Other receivables	-	-	5,972	-
	5,293,193	315,572	6,986,403	692,731
Financial liabilities:				
Due to related companies	4,830,826	-	7,580,265	-
Trade payables	158	-	164	-
Other payables	-	48,429	-	34,927
	4,830,984	48,429	7,580,429	34,927
Currency exposure	462,209	267,143	(594,026)	657,804

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(d) Foreign Currency Risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's (loss)/profit net of tax to a reasonably possible change in the USD, RM and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Increase/(Decrease) in (Loss)/Profit Net of Tax	
	Group	
	2025 RM	**2024 RM**
USD/RM		
- strengthened 3% (2024: 4%)	(16,534,994)	28,021,467
- weakened 3% (2024: 4%)	16,534,994	(28,021,467)
SGD/RM		
- strengthened 3% (2024: 5%)	(180,551)	240,804
- weakened 3% (2024: 5%)	180,551	(240,804)
SGD/USD		
- strengthened 2% (2024: 1%)	(7,026)	(4,515)
- weakened 2% (2024: 1%)	7,026	4,515
RM/USD		
- strengthened 3% (2024: 4%)	(6,091)	19,997
- weakened 3% (2024: 4%)	6,091	(19,997)
USD/SGD		
- strengthened 2% (2024: 1%)	(1,107,228)	611,774
- weakened 2% (2024: 1%)	1,107,228	(611,774)
RM/SGD		
- strengthened 3% (2024: 5%)	49,479	(82,483)
- weakened 3% (2024: 5%)	(49,479)	82,483
USD/MXN		
- strengthened 3% (2024: 6%)	(159,339)	362,449
- weakened 3% (2024: 6%)	159,339	(362,449)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(e) Classification of Financial Instruments

	Group RM	Company RM
2025		
Financial assets		
<u>Mandatorily at fair value through profit or loss</u>		
Investment securities (Note 20)	12,897,474	6,904,368
Short-term investments (Note 24)	688,135,248	681,982,098
	701,032,722	688,886,466
<u>Amortised cost</u>		
Trade and other receivables (Note 22)	11,186,765	119,628,766
Cash and bank balances (Note 25)	169,903,534	41,314,446
	181,090,299	160,943,212
Financial liabilities		
<u>Amortised cost</u>		
Loans and borrowings (Note 26)	13,749,575	-
Trade and other payables (Note 28)	45,213,046	251,410
	58,962,621	251,410
2024		
Financial assets		
<u>Mandatorily at fair value through profit or loss</u>		
Investment securities (Note 20)	12,379,376	6,736,436
Short-term investments (Note 24)	774,368,147	767,997,038
	786,747,523	774,733,474
<u>Amortised cost</u>		
Trade and other receivables (Note 22)	101,005,428	67,639,886
Cash and bank balances (Note 25)	267,587,690	168,134,578
	368,593,118	235,774,464
Financial liabilities		
<u>Amortised cost</u>		
Loans and borrowings (Note 26)	30,943,049	16,656,432
Trade and other payables (Note 28)	42,246,745	302,644
	73,189,794	16,959,076

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

38. Financial Risk Management Objectives and Policies (cont'd)

(f) Gains or Losses Arising from Financial Instruments

	Group RM	Company RM
2025		
Financial assets		
Fair value through profit or loss		
Net gains recognised in profit or loss by mandatorily required by accounting standard	35,653,213	34,916,525
Amortised cost		
Net (losses)/gains recognised in profit or loss	(34,768,580)	2,133,844
Financial liabilities		
Amortised cost		
Net losses recognised in profit or loss	(1,295,054)	(592,937)
2024		
Financial assets		
Fair value through profit or loss		
Net gains recognised in profit or loss by mandatorily required by accounting standard	8,923,952	7,713,599
Amortised cost		
Net (losses)/gains recognised in profit or loss	(64,226,925)	20,951,970
Financial liabilities		
Amortised cost		
Net gains/(losses) recognised in profit or loss	144,706,639	(2,130,671)

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

39. Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is total loans and borrowings divided by equity attributable to equity owners of the Company. The Group's policy is to maintain the gearing ratio at manageable level.

The calculations of the Group's gearing ratios are as follows:

	Note	Group	
		2025 RM	**2024 RM**
Loans and borrowings	26	13,749,575	30,943,049
Equity attributable to owners of the Company		1,680,603,291	1,782,815,787
Gearing ratio		0.01	0.02

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, failing which, the bank may call an event of default. The Group has complied with this requirement.

40. Segment Information

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Chairman of the Group as its chief operating decision maker in order to allocate resources to segments and to assess their performance regularly. For management purposes, the Group is organised into business units based on their products and services, and has five reportable operating segments as follows:

(a)	Gas processing	-	Provision of onshore gas conditioning and jack-up gas compression services.
(b)	Vessels manufacturing and repairing services	-	Fabrication and sale of offshore support and marine transportation vessels, and provision of ship repairs and maintenance services.
(c)	Vessels chartering and equipment hire	-	Provision of vessels transportation and equipment hiring services.
(d)	Hospitality	-	Development of an overwater bungalow resort.
(e)	Renewable energy	-	Operation of renewable energy asset.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respect as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

40. Segment Information (cont'd)

	Gas processing services RM	Vessels manufacturing and repairing services RM	Vessels chartering and equipment hire RM	Hospitality RM	Renewable energy RM	Adjustments and elimination RM	Notes	Per consolidated financial statements RM
2025								
Revenue:								
External customers	-	8,110,650	47,970,193	-	-	-		56,080,843
Inter-segment	1,297,510	225,781	3,737,243	-	-	(5,260,534)	A	-
Total revenue	1,297,510	8,336,431	51,707,436	-	-	(5,260,534)		56,080,843
Represented by:								
Revenue recognised over time								
- Vessels repairing services	-	8,706,904	-	-	-	(596,254)		8,110,650
- Vessels chartering services	-	-	47,970,193	-	-	-		47,970,193
	-	8,706,904	47,970,193	-	-	(596,254)		56,080,843
Results:								
Interest income	3,361,540	499,093	607,339	49	-	915,130		5,383,151
Depreciation	21,559,397	2,838,075	8,937,973	607,815	217	12,542		33,956,019
Other non-cash expenses	2,077,244	80,949	42,312,489	160,000	-	64,395,345	B	109,026,027
Share of profit of joint venture	89,467,752	-	-	-	-	-		89,467,752
Segment profit/(loss)	23,593,176	1,873,477	(27,111,463)	(1,424,138)	(127,865)	(48,428,939)	C	(51,625,752)
Assets:								
Additions to non-current assets	3,005	539,837	11,714,057	286,973	15,942,229	25,248	D	28,511,349
Segment assets	612,715,541	249,875,561	105,916,057	37,839,310	16,080,662	733,430,132	E	1,755,857,263
Segment liabilities	3,251,421	32,531,704	7,547,304	29,498	1,541,356	17,475,834	F	62,377,117

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

40. Segment Information (cont'd)

2024	**Gas processing services RM**	**Vessels manufacturing and repairing services RM**	**Vessels chartering and equipment hire RM**	**Hospitality RM**	**Adjustments and elimination RM**	**Notes**	**Per consolidated financial statements RM**
Revenue:							
External customers	-	23,821,583	53,942,279	-	-		77,763,862
Inter-segment	912,707	1,113,684	2,830,612	-	(4,857,003)	A	-
Total revenue	912,707	24,935,267	56,772,891	-	(4,857,003)		77,763,862
Represented by:							
Revenue recognised over time							
- Vessels repairing services	-	25,589,049	-	-	(1,767,466)		23,821,583
- Vessels chartering services	-	-	53,942,279	-	-		53,942,279
	-	25,589,049	53,942,279	-	(1,767,466)		77,763,862
Results:							
Interest income	82,304,955	214,758	5,235,451	2,112	256,442		88,013,718
Depreciation	23,133,203	2,851,150	8,100,650	576,757	10,883		34,672,643
Other non-cash expenses	173,224,394	1,352,713	2,296,428	-	426,819	B	177,300,354
Share of profit of joint venture	68,713,983	-	-	-	-		68,713,983
Segment (loss)/profit	(24,187,637)	150,023,048	69,781,560	(714,445)	(11,176,267)	C	183,726,259
Assets:							
Additions to non-current assets	38,408	384,312	4,188	1,015,348	25,791	D	1,468,047
Segment assets	551,190,144	174,455,782	167,375,727	38,136,850	949,247,818	E	1,880,406,321
Segment liabilities	3,835,894	31,398,350	6,674,440	19,874	37,047,182	F	78,975,740

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

40. Segment Information (cont'd)

Notes Nature of adjustments and eliminations to arrive at amount reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2025 RM	2024 RM
Impairment loss on receivables	8	41,345,837	155,359,806
Deposits written off	10	160,000	-
Fair value loss on investment securities	10	-	422,524
Fair value loss on short-term investments	10	-	105,632
Impairment loss on plant and equipment	10	-	20,033,910
Plant and equipment written off	10	55,347	1,537
Unrealised loss on foreign exchange	10	67,464,843	1,376,945
		109,026,027	177,300,354

C The following items are deducted from segment profit/(loss) to arrive at "(Loss)/Profit before tax" presented in the consolidated statement of profit or loss:

	2025 RM	2024 RM
Finance costs	(1,531,522)	(3,156,993)
Unallocated corporate expenses	(46,897,417)	(8,019,274)
	(48,428,939)	(11,176,267)

D Additions to non-current assets consist of:

	2025 RM	2024 RM
Property, plant and equipment	28,426,416	1,468,047
Right-of-use assets	84,933	-
	28,511,349	1,468,047

E The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2025 RM	2024 RM
Tax recoverable	1,940,142	3,676,674
Unallocated corporate assets	731,489,990	945,571,144
	733,430,132	949,247,818

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025 (cont'd.)

40. Segment Information (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd)

F The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2025 RM	2024 RM
Deferred tax liabilities	2,099,589	2,080,001
Income tax payable	136,757	2,580,988
Loans and borrowings	13,749,575	30,943,049
Lease liabilities	1,178,150	1,123,963
Unallocated corporate liabilities	311,763	319,181
	17,475,834	37,047,182

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	12,790,650	28,523,841	101,555,787	89,999,579
Mexico	-	-	170,424,214	211,978,470
Saudi Arabia	43,290,193	48,416,377	38,618,062	38,252,535
Others	-	823,644	1,831,902	2,350,740
	56,080,843	77,763,862	312,429,965	342,581,324

The information on the disaggregation of revenue based on geographical location is summarised below:

	Over time	
	2025 RM	2024 RM
Malaysia	12,790,650	28,523,841
Saudi Arabia	43,290,193	48,416,377
Others	-	823,644
	56,080,843	77,763,862

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

40. Segment Information (cont'd)

Geographical information (cont'd)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	2025 RM	2024 RM
Property, plant and equipment	277,274,865	306,673,391
Right-of-use assets	32,202,225	32,873,034
Investment properties	2,952,875	3,034,899
	312,429,965	342,581,324

Information about major customers

There are two (2024: two) major customers from the vessels repairing and vessels chartering segment that contributed more than 10% to the Group's revenue.

41. Dividend

	Group and Company	
	2025 RM	2024 RM
Recognised during the financial year:		
Dividend on ordinary shares: - Special interim single tier dividend for 2024: 5.0 sen per share	27,156,050	-

On 16 April 2026, the Company declared a special interim single tier dividend of 3 sen per ordinary share for the current financial year, payable on 22 May 2026, to shareholders whose names appearing in the record of depositors on 5 May 2026. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

The Directors do not recommend any final dividend to be paid in respect of the current financial year.

42. Significant Events During The Financial Year

(a) On 6 January 2025, Coastal Drilling Pte. Ltd. ("CD"), a wholly-owned subsidiary of the Company, had incorporated a 60%-owned subsidiary under Companies Act (Cap 50) in Singapore known as Coastal Watt Energy Pte. Ltd. ("CWE"). CWE is a private company limited by shares. The issued and paid-up capital of CWE is SGD100,000 comprising of 100,000 ordinary shares. The intended principal activity of CWE is investment holding.

The incorporation of CWE is part of the proposed collaboration between CD and Hongkong Watt Energy Tec Co., Ltd, ("HWET") in capitalising opportunities in the renewable energy industry. The Parties has on 7 January 2025 entered into a Shareholders' Agreement, which regulated the governance, as well as the terms and conditions for the proposed collaboration.

(b) On 26 June 2025, Coastal Solar Sdn. Bhd. ("CSSB"), a 95%-owned subsidiary of the Company, had signed a Power Purchase Agreement ("PPA") with Sabah Electricity Sdn. Bhd. ("SESB") for the development and operation of a Large-scale Solar PV Plant of 15.00 MWa.c. at Sandakan, Sabah.

Pursuant to the PPA, CSSB will design, construct, own, operate and maintain a 15.00 MWa.c. solar photovoltaic energy generating facility ("Facility"), and sell the energy generated by the Facility to SESB for a period of 25 years from the commercial operation date.

Notes to the Financial Statements
For the Financial Year Ended 31 December 2025 (cont'd.)

42. Significant Events During The Financial Year (cont'd)

(c) On 19 December 2025, the consortium consisting of the joint venture of the Company, Coastoil Dynamic, S.A. de C.V. ("CODY"), Sistemas Integrales De Compresion S.A. de C.V. and Nuvoil S.A. de C.V. (collectively known as "the Consortium") had entered into a contract with Petroleos Mexicanos ("Pemex"), the Mexican state-owned petroleum company ("the Contract").

Pursuant to the Contract, the Consortium, with CODY acting as the Consortium leader will undertake the following scopes of work and service:

(i) engineering, procurement and construction of a new gas sweetening plant with a processing capacity of 150 mmscfd ("2nd Papan Plant");

(ii) design, engineering, procurement, installation, interconnection, testing and commissioning of the related permanent infrastructure of the 2nd Papan Plant;

(iii) provision of gas sweetening services by 2nd Papan Plant;

(iv) design, engineering, procurement and construction of a new separation plant with a separation capacity to handle 900 mmscfd of gas and 56,000 bpd of oil; and

(v) design, engineering, procurement, installation, interconnection, testing and commissioning of a new condensate pipeline for the transportation of oil condensate.

43. Event Occurring After The Reporting Period

On 23 January 2026, the consortium comprising the joint venture of the Company, Coastoil Dynamic, S.A. de C.V. ("CODY"), Sistemas Integrales De Compresion S.A. de C.V. and Nuvoil S.A. de C.V. (collectively known as "the Consortium") had received an Emergency Work Instruction ("EWI") from Petroleos Mexicanos ("Pemex"), the Mexican state-owned petroleum company.

Pemex, via its EWI dated 23 January 2026, advised that gas flaring at the Ixachi Field has resulted in an emergency situation requiring immediate action to reduce the gas flaring. In view of the emergency situation, it was not feasible to conduct the timely standard open tender procedure and the Consortium was instructed to immediately proceed, on an exceptional basis with the design, supply, construction, installation and commissioning of a gas sweetening plant with a capacity of up to 200 mmscfd (2nd Perdiz Plant) for the processing of wet sour gas near to the existing Perdiz Plant.

44. Authorisation of Financial Statements for Issue

The financial statements for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 24 April 2026.

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

		Group	
Total Income	**Remarks**	**2025 RM**	**2024 RM**
Revenue		56,080,843	77,763,862
Interest income		5,383,151	88,013,718
Other income		43,645,412	263,180,826
Share of profit of joint ventures		89,467,752	68,713,983
Total		**194,577,158**	**497,672,389**
Total Assets		**1,755,857,263**	**1,880,406,321**

(b) Business Activities

		Group	
Shariah Non-Compliant Activities	**Remarks**	**2025 RM**	**2024 RM**
Dividend income received from conventional shares and instruments		13,113,630	1,650,193
Gain from investment in conventional instruments		22,123,866	7,387,305
Interest income		5,324,525	87,917,468
Rental income received from tenant involved in Shariah non-compliant activities		313,358	289,569
Total		**40,875,379**	**97,244,535**

(c) Component of Financial Position

(i) Cash Component

		Group	
Islamic Account/Instruments	**Remarks**	**2025 RM**	**2024 RM**
Cash at bank (exclude cash in hand)		2,365,664	3,434,427
Cash in hand		194,625	139,437
Financial assets/instruments		2,600,788	2,650,906
Money market instruments		45,364,411	-
Total		**50,525,488**	**6,224,770**

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

(c) Component of Financial Position (cont'd)

(i) Cash Component (cont'd)

Conventional Account/Instruments	Remarks	Group 2025 RM	Group 2024 RM
Cash at bank (exclude cash in hand)		79,282,267	202,441,685
Short-term deposits		88,060,978	61,572,141
Financial assets/instruments		10,296,686	9,728,470
Money market instruments		642,770,837	774,368,147
Total		**820,410,768**	**1,048,110,443**

(ii) Debt Component

Islamic Financing	Remarks	Group 2025 RM	Group 2024 RM
Current			
Term loan		211,966	247,088
Amount due to Shareholder/Subsidiary/ Associate/Joint Venture/Directors/ Third Party without interest	Loan from non-controlling interests	811,359	894,055
Non-Current			
Term loan		-	211,713
Total		**1,023,325**	**1,352,856**

Conventional Borrowing	Remarks	Group 2025 RM	Group 2024 RM
Current			
Hire purchase payables		185,495	182,298
Revolving credit		12,000,000	12,000,000
Term loan		-	16,656,432
Non-Current			
Hire purchase payables		540,755	751,463
Total		**12,726,250**	**29,590,193**

List of Properties in the Group

Property/ Location address	Age of buildings	Tenure/ Expiry date	Description/ existing use	Land Area/ Built-up area	Date of purchase	Valuation date	Net book value (31.12.2025) (RM)
CL 075512168 Off Mile 9, Sungai Seguntor, Labuk Road, Sandakan, Sabah.	21 to 38 years	Leasehold / 31.12.2073	Shipbuilding & Repairs Facility	17.66 acres/ 76,348.43 sq ft	24.04.1990	11.05.2001	3,059,064
1/50 undivided share of TL077508886 Lot 4A, 4th Floor, Wisma Wemin, Mile 1 1/2, Leila Road, Sandakan, Sabah.	39 years since 1987	Leasehold / 15.12.2910	1 unit residential flat	1.027 acres / 900 sq ft	14.12.1995	11.05.2001	16,339
1/2 undivided share of TL077534313 Lot 3A, Block G, Bandar Leila, Jalan Leila, Sandakan, Sabah.	42 years since 1984	Leasehold / 05.02.2888	1 unit double storey terrace workshop cum office	1,685 sq ft / 1,104.5 sq ft	06.08.1997	11.05.2001	93,580
1/2 undivided share of TL077534313 Lot 3B, Block G, Bandar Leila, Jalan Leila, Sandakan, Sabah.	42 years since 1984	Leasehold / 05.02.2888	1 unit double storey terrace workshop cum office	1,685 sq ft / 1,104.5 sq ft	06.08.1988	11.05.2001	88,178
1/2 undivided share of TL077534304 Lot 4A, Block G, Bandar Leila, Jalan Leila, Sandakan, Sabah.	42 years since 1984	Leasehold / 05.02.2888	1 unit double storey terrace workshop cum office	1,685 sq ft / 1,104.5 sq ft	20.04.1991	11.05.2001	89,461
CL 075360673 CL 075360664 CL 075360655 CL 075366022 CL 075366013 CL 075366004 CL 075448930 CL 075448921 Mile 8, Jalan Datuk Tay, Off Jalan Lintas Sibuga, Sandakan, Sabah.	16 to 19 years ↓	Leasehold / 31.12.2073 31.12.2073 31.12.2073 31.12.2073 31.12.2078 31.12.2078 31.12.2088 31.12.2088	Shipbuilding & Repairs Facility and Land for Solar PV Plant Development	2.07 acres 1.80 acres 1.99 acres 6.30 acres 12.83 acres 11.38 acres 8.00 acres 8.00 acres	06.08.2004 ↓	22.03.2006 ↓	22,725,536
CL 075360397 CL 075360404 Mile 8, Jalan Datuk Tay, Off Jalan Lintas Sibuga, Sandakan, Sabah.	N/A ↓	Leasehold / 31.12.2071 31.12.2071	Vacant Land	2.23 acres 2.17 acres	26.02.2007 ↓	N/A ↓	81,784

List of Properties in the Group (cont'd.)

Property/ Location address	Age of buildings	Tenure/ Expiry date	Description/ existing use	Land Area/ Built-up area	Date of purchase	Valuation date	Net book value (31.12.2025) (RM)
CL 075350855 CL 075350864 CL 075350882 CL 075359652 Mile 9, Church Road, Off Jalan Labuk, Jalan Seguntur, Sandakan, Sabah.	17 years	Leasehold / 31.12.2073 31.12.2073 31.12.2073 31.12.2078	Shipbuilding & Repairs Facility	2.36 acres 2.83 acres 10.65 acres 6.20 acres	22.12.2008	N/A	1,250,410
CL 075366031 Sungai Seguntor, Sandakan, Sabah.	N/A	Leasehold / 31.12.2077	Land for Solar PV Plant Development	6.31 acres	18.05.2010	N/A	981,834
1/2 undivided share of TL077534322 Lot 2B, Block G, Bandar Leila, Jalan Leila, Sandakan, Sabah.	42 years since 1984	Leasehold / 05.02.2888	1 unit double storey terrace workshop cum office	1,685 sq ft / 1,104.5 sq ft	06.06.2011	N/A	134,583
7/206 undivided share of CL075495340 Lot SO197 - SO203, Block A, One Avenue, Phase 8, Bandar Utama, Mile 6, Jalan Utara, Sandakan, Sabah.	14 years	Leasehold / 31.12.2081	7 units double storey shop office	1,475.60 sq m	17.12.2007	N/A	2,952,875
CL 125340418 Pulau Mabul, Semporna, Sabah.	N/A	Leasehold / 31.12.2067	Held for development	31.15 hectares	13.03.2024	13.03.2024	36,658,251
NT 123035754 Kg. Pakalangan, Semporna, Sabah.	N/A	Freehold / N/A	Held for development	3.477 hectares	09.07.2024	N/A	1,000,000

Analysis of Shareholdings
As at 24 March 2026

STATISTICS ON ORDINARY SHAREHOLDINGS AS AT 24 MARCH 2026

Total Number of Issued Shares Including Treasury Shares	561,532,971 Ordinary Shares
Type of Shares	Ordinary Shares
Voting Rights	One vote per Ordinary Share
No. of Treasury Shares Held	18,133,700 Ordinary Shares

Analysis of Shareholdings Size of Shareholdings	**No. of Shareholders**	**No. of Shares**	**% of Issued Share**
Less than 100	248	9,857	0.00
100 to 1,000	794	397,687	0.07
1,001 to 10,000	1,820	8,614,939	1.59
10,001 to 100,000	876	27,442,663	5.05
100,001 to less than 5% of issued shares	166	277,352,533	51.04
5% and above of issued shares	4	229,581,592	42.25
Total	3,908	543,399,271	100.00

List of Thirty Largest Securities Accounts Holders

No.	**Name**	**No. of Shares**	**%**
1.	IVORY ASIA SDN. BHD.	84,746,660	15.60
2.	IVORY ASIA SDN. BHD.	66,666,666	12.27
3.	HSBC NOMINEES (ASING) SDN BHD QUINTET LUXEMBOURG FOR SAMARANG UCITS-SAMARANG ASIAN PROSPERITY	45,301,600	8.34
4.	PANG FONG THAU	32,866,666	6.05
5.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG CHIN KOK (B TINGGI-CL)	24,353,254	4.48
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NG CHIN SHIN	24,291,320	4.47
7.	ONG SENG HENG	23,945,100	4.41
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NG CHIN KEUAN	23,916,287	4.40
9.	PANG FONG THAU	23,006,200	4.23
10.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG CHIN HENG (KKINABALU-CL)	18,971,500	3.49
11.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	14,065,900	2.59
12.	NG CHIN HENG	11,375,201	2.09
13.	PANG FONG THAU	10,609,509	1.95

Analysis of Shareholdings
As at 24 March 2026

List of Thirty Largest Securities Accounts Holders (Cont'd)

No.	Name	No. of Shares	%
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KAF) (446190)	7,200,000	1.33
15.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	6,576,600	1.21
16.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR RICKOH CORPORATION SDN BHD (MY0507)	4,623,400	0.85
17.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI SIAK HWEE (7001913)	4,143,400	0.76
18.	JCBNEXT BERHAD	4,114,000	0.76
19.	LEE SEE JIN	3,918,000	0.72
20.	SUSY DING	3,768,500	0.69
21.	NG CHIN HENG	3,733,333	0.69
22.	NG CHIN HENG	3,666,666	0.68
23.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	3,166,773	0.58
24.	CARTABAN NOMINEES (ASING) SDN BHD BBH (LUX) SCA FOR FIDELITY FUNDS ASEAN	2,798,700	0.52
25.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	2,759,400	0.51
26.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (KLC/KEN)	2,195,000	0.40
27.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIOW MING YEW (KKINABALU-CL)	2,070,600	0.38
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	1,935,600	0.36
29.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI SIAK HWEE (E-BPT)	1,836,800	0.34
30.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YOONG KAH YIN (PB)	1,410,000	0.26

Analysis of Shareholdings
As at 24 March 2026

Substantial Shareholders

No.	Name	No. of Shares Held		% of Issued Share	
		Direct	Indirect	Direct	Indirect
1.	IVORY ASIA SDN. BHD.	151,413,326	-	27.86	-
2.	PANG FONG THAU	66,482,375	[a]189,160,026	12.23	34.81
3.	SAMARANG UCITS – SAMARANG ASIAN PROSPERITY	45,301,600	-	8.34	-
4.	NG CHIN HENG	37,746,700	[b]217,895,701	6.95	40.10

Directors' Shareholdings

No.	Name	No. of Shares Held		% of Issued Share	
		Direct	Indirect	Direct	Indirect
1.	NG CHIN HENG	37,746,700	[c]218, 292,634	6.95	40.17
2.	NG CHIN SHIN	24,291,320	-	4.47	-
3.	ALICE NG	784,566	-	0.14	-
4.	HJ. IR. INTIZAM BIN AYUB	200,000	-	0.04	-
5.	SEETO YEE @ SEETO TIN YEE	-	-	-	-
6.	TEO GIM SUAN	-	-	-	-

[a] Deemed interests by virtue of shareholdings of husband, Mr. Ng Chin Heng and Ivory Asia Sdn. Bhd. in the Company.
[b] Deemed interests by virtue of shareholdings of wife, Madam Pang Fong Thau and Ivory Asia Sdn. Bhd. in the Company.
[c] Deemed interests by virtue of shareholdings of wife, Madam Pang Fong Thau, shareholdings of son, Mr. Ng San Chen, shareholdings of daughter, Madam Ng San Yin and Ivory Asia Sdn. Bhd. in the Company.

COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)
(Incorporated in Malaysia)

CDS Account No.

FORM OF PROXY

I/We, ... NRIC/Company No. ....

of ....

being a Member/Members of COASTAL CONTRACTS BHD., hereby appoint ....

NRIC/Passport No. .... of ....

or failing him/her .... NRIC/Passport No. ....

of .... or failing him/her,

THE CHAIRMAN OF THE MEETING as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Twenty- Fifth Annual General Meeting of the Company to be held at Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah on Friday, 19 June 2026 at 10.00 am or at any adjournment thereof and to vote as indicated below:-

No.	Resolutions	For	Against
1.	To approve the payment of fees and benefits to Non-Executive Directors.		
2.	To re-elect Mr. Ng Chin Heng as Director.		
3.	To re-elect Mr. Seeto Yee @ Seeto Tin Yee as Director.		
4.	To re-elect Madam Teo Gim Suan as Director.		
5.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	Proposed retention of Tuan Hj. Ir. Intizam Bin Ayub as an Independent Non-Executive Director.		
7.	Authority to issue shares pursuant to the Companies Act 2016.		
8.	Proposed Renewal of Share Buy-Back Authority.		

Please indicate with an "X" in the space provided for each resolution. Unless voting instructions are indicated in the space above, the proxy will vote or abstain as he/she thinks fit and if no name is inserted in the space for the name of proxy, the Chairman of the Meeting will act as proxy.

Signed this .... day of 2026

No. of ordinary shares held

Percentage of shareholdings to be represented by proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
Total		100%

....

Signature/common seal of Member(s)

Notes:

(a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate, speak and vote instead of him and that a proxy need not be a member of the Company.

(b) For the purpose of determining member's eligibility to attend this Meeting, only member whose name appears in the Record of Depositors as at 12 June 2026 shall be entitled to attend this Meeting or appoint proxy(ies) to attend and/or vote on his behalf.

(c) A member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint not more than 2 proxies to attend and vote in his stead at the Meeting. There shall be no restriction as to the qualification of the proxy. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy, failing which, the appointment shall be invalid.

(d) 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.

(e) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney or if the appointor is a corporation under the seal, and the person so appointed may attend and vote at this meeting at which the appointor is entitled to vote.

(f) The instrument appointing a proxy shall be left at the Registered Office of the Company at Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah, or received at the electronic address at ir@coastalcontracts.com, at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which it is to be used, and in default shall not be treated as valid.

(g) 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 a vote by way of a poll.

FOLD THIS FLAP FOR SEALING

FOLD HERE

STAMP

Coastal Contracts Bhd.
Registration No. 200001015043 (517649-A)

Block G, Lot 3B, Bandar Leila
W.D.T. 259, 90009 Sandakan, Sabah

FOLD HERE

Coastal Contracts Bhd. Registration No. 200001015043 (517649-A)

Block G, Lot 3B, Bandar Leila, W.D.T. 259, 90009 Sandakan, Sabah, Malaysia.

T : +60 89 616263
F : +60 89 616654
E : mail@coastalcontracts.com

www.coastalcontracts.com