IBRACO BERHAD
[197101000730(011286-P)]

2025

ALIGNING FOR **GROWTH**

ANNUAL REPORT 2025

INSIDE THIS REPORT

2025

OUR VISION

To be one of the leading conglomerate in the building and construction industry

OUR MISSION

To provide quality products and services, embrace corporate sustainability, optimise shareholders' return and nurture its employee

OUR VALUES

- Responsibility & Accountability
- Excellence in Service
- Customer Focus
- Respect Oneself and Fellow Colleagues

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Cover Rationale

ALIGNING FOR **GROWTH**

In 2025, Ibraco strengthened its focus on alignment—bringing together strategy, operations, and market needs to drive sustainable growth. Our developments continue to be driven by market needs and value creation, ensuring they meet evolving customer expectations while supporting long-term community building. At the same time, improved operational integration and more holistic performance measurement reflect our commitment to efficiency, transparency, and accountability. As we navigate a dynamic environment, this alignment positions the Group to remain resilient, responsive, and well-placed to capture future opportunities.

CORPORATE INFORMATION

ARDEN CITY

BOARD OF **DIRECTORS**

MR. NG
CHENG CHUAN
Chairman

YBHG. DATUK
CHEW CHIAW HAN
Group Managing Director

MADAM LILY
TANG LEE LIN
Executive Director

PUAN SHARIFAH DEBORAH
SOPHIA IBRAHIM
Non-Independent
Non-Executive Director

MR. CHIN
MUI KHIONG
Independent Director

MS. WONG
SIAW WEI
Independent Director

PUAN JUNIJAH
BINTI ISMAIL
Independent Director

COMPANY SECRETARIES

Yeo Puay Huang
(SSM PC No.: 202008000727)
(LS 0000577)

May Wong Mei Ling
(SSM PC No.: 202008002420)
(MIA 18483)

REGISTERED OFFICE

Ibraco Berhad [197101000730 (011286-P)]
No. 6 The NorthBank,
Off Kuching-Samarahan
Expressway,
93350 Kuching,
Sarawak, Malaysia.
Tel: 082-361111
Fax: 082-361188
Email: sales@ibraco.com

AUDITORS

Messrs. Crowe Malaysia PLT
2nd Floor, C378, Block C,
iCom Square, Jalan Pending,
93450 Kuching, Sarawak
Tel: 082-552688
Fax: 082-266987

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia
Securities Berhad
Stock Name: IBRACO
Stock Code: 5084

SHARE REGISTRAR

Securities Services (Holdings)
Sdn. Bhd. [197701005827 (036869-T)]
Level 7 Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur
Tel: 03-2084 9000
Fax: 03-2094 9940
Email: info@sshsb.com.my

WEBSITE

www.ibraco.com

GROUP CORPORATE STRUCTURE

IBRACO BERHAD
[197101000730(011286-P)]

100%

Ibraco Quarry Sdn. Bhd.
(198301005406 (99809-T))

Syarikat Ibraco-Peremba Sdn. Bhd.
(197401003324 (20491-M))

Ibraco Spectrum Sdn. Bhd.
(200301008271 (610691-M))

Ibraco Infinity Sdn. Bhd.
(200301004033 (606453-W))

Ibraco Construction Sdn. Bhd.
(200201024319 (591982-H))

Foso One Sdn. Bhd.
(200301010005 (612425-M))

NewUrban Sdn. Bhd.
(201801011013 (1273029-H))

Ibraco Ascent Sdn. Bhd.
(201601000803 (1171729-H))

70%

Sekitar Gemilang Sdn. Bhd.
(202001013693 (1370013-U))

Ibraco HGS Sdn. Bhd.
(201101036040 (964174-A))

80%

Warisar Sdn. Bhd.
(201201025044 (1009534-M))

70%

Ibraco Construction Polybuilding Construction JV Sdn. Bhd.
(201901017388 (1326716-H))

Ibraco KPP Concrete Sdn. Bhd.
(202201045847 (1491544-U))

51%

Ibraco CREC JV Sdn. Bhd.
(202401000535 (1546386-M))

75%

Ibraco Pelita Sdn. Bhd.
(201301004433 (1034276-W))

84.21%

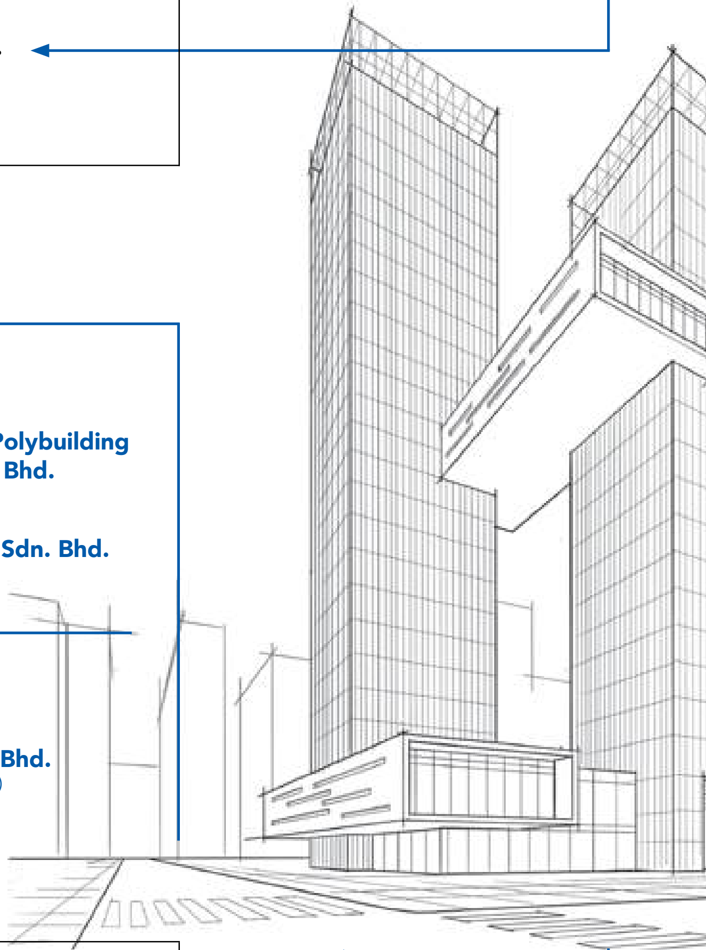
HELP Ibraco CMS Sdn. Bhd.
(201801007946 (1269960-U))

24.5%

Equinox Power Sdn. Bhd.
(202601008498 (1670596-X))

49%

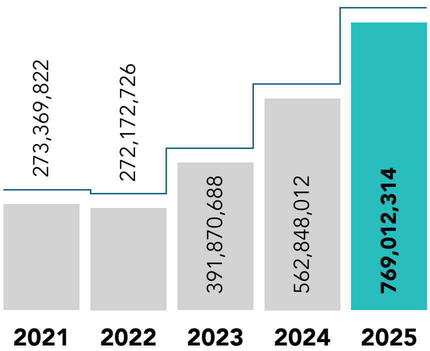
Ibraco HELP Education Sdn. Bhd.
(201701035413 (1249584-P))



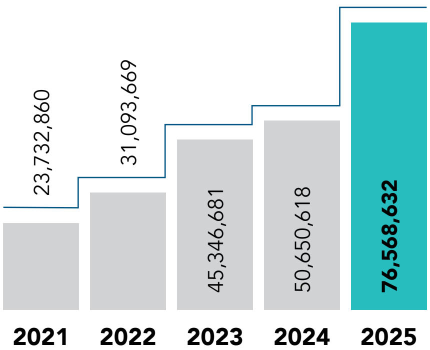
GROUP FINANCIAL HIGHLIGHTS

	2021	2022	2023	2024	2025
Revenue (RM)	273,369,822	272,172,726	391,870,688	562,848,012	**769,012,314**
Profit before taxation (RM)	32,579,122	43,524,963	62,725,881	70,635,235	**105,646,520**
EBITDA (RM)	48,304,765	58,511,393	82,373,857	98,228,483	**142,952,075**
Net profit after taxation (RM)	23,732,860	31,093,669	45,346,681	50,650,618	**76,568,632**
Profit attributable to owners of the Company (RM)	23,487,168	30,410,422	46,037,994	48,781,273	**71,611,900**
Basic earnings per ordinary share (sen)	5	6	8	9	**13**
Gross dividend per share (sen)	2.00	2.00	3.50	4.00	**4.00**
Dividend payout ratio (%)	46	36	42	45	**31**
Net gearing ratio (%)	60	57	42	68	**71**
Shareholders' equity (RM)	432,684,078	452,173,576	479,099,952	506,039,377	**566,730,353**
Total Assets (RM)	775,117,457	792,277,163	948,511,090	1,268,005,025	**1,475,627,296**
Net assets per share (RM)	0.79	0.83	0.88	0.93	**1.04**
Return on shareholders' equity (%)	5	7	10	10	**13**
Return on total assets (%)	6	7	9	8	**10**
Total borrowings (RM)	207,127,245	211,301,753	280,711,693	425,795,432	**521,553,316**
Current assets (RM)	524,782,634	528,845,938	629,471,612	901,614,380	**1,063,559,819**
Current liabilities (RM)	232,051,228	238,646,333	346,659,553	605,630,500	**764,469,612**
Current ratio (times)	2.26	2.22	1.82	1.49	**1.39**
Issued and fully paid-up share capital of	546,046,217	546,046,217	546,046,217	546,046,217	**546,046,217**
Share price performance (RM) Closing	0.59	0.60	0.80	1.22	**1.26**

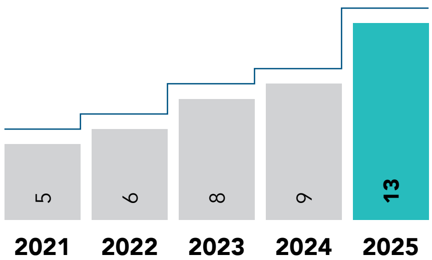
REVENUE (RM)



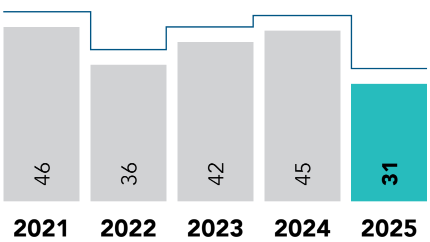
NET PROFIT AFTER TAXATION (RM)



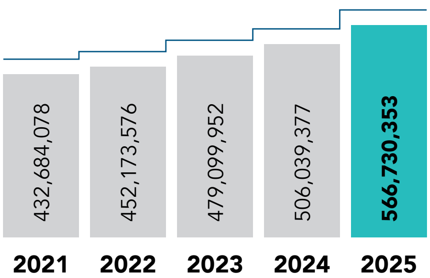
BASIC EARNINGS PER ORDINARY SHARE (SEN)



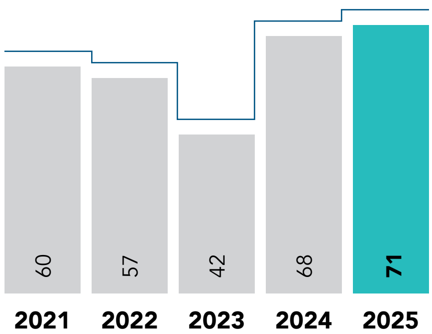
DIVIDEN PAYOUT RATIO (%)



SHAREHOLDERS' EQUITY (RM)



NET GEARING RATIO (%)



PROFILE OF DIRECTORS

NG **CHEN CHUAN**

Chairman

Singaporean | 67 | Male

Board Committee Membership
- Nil

Mr. Ng Cheng Chuan, a Non-Executive Non-Independent Director, joined the Board of Ibraco Group on 21 October 2009 and was appointed as the Chairman of Ibraco Group on 27 February 2014. He ceased to be member of the Audit Committee, Nomination Committee and Remuneration Committee on 22 April 2022.

Mr. Ng is the Chairman of Crossland Marketing (2000) Pte Ltd and several other companies in Singapore, Malaysia and Thailand dealing mainly with soft commodities, farming and warehousing. Mr. Ng has more than 35 years of extensive experience in the areas of sales and purchasers of soft commodities.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). He does not have any conflict of interest with the Company.

ARDEN CITY

DATUK CHEW **CHIAW HAN**

Group Managing Director

Malaysian | 49 | Male

Board Committee Membership
- Nil

Datuk Chew Chiaw Han was appointed as a Non-Executive Non-Independent Director on 21 October 2009 and became an Executive Director on 30 October 2009. He was then appointed as the Chief Executive Officer on 30 April 2010 and later redesignated as the Group Managing Director on 10 May 2011.

Datuk Chew is a graduate of the University of Waikato, New Zealand with a Bachelor of Law Degree. He started his career with Lian Hua Seng Group of companies in 1999. Under his leadership as the Chief Executive Officer, he has led the group into diverse business fields such as manufacturing, supply, construction, logistic, and food processing, both in private and government sectors.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

Datuk Chew's private companies are principally involved in construction. There may be potential conflict of interest with Ibraco Construction Sdn Bhd, a wholly owned subsidiary of Ibraco Berhad, which is principally involved in construction activities.

PROFILE OF DIRECTORS (CONT'D)

LILY TANG **LEE LIN**

Executive Director

Malaysian | AGE 44 | Female

Board Committee Membership
- Member of Sustainability Committee

Madam Lily Tang Lee Lin was appointed to the Board of Ibraco Group on 31 December 2023 as an Executive Director.

Lily is a graduate of the University of Technology, Sydney with a Bachelor of Business majoring in Accounting and Economics and a Member of CPA Australia and Malaysian Institute of Accountants. She has more than 15 years of professional experience in internal and external audit, accounts and finance, risk management and corporate communications.

In 2004, she started her career as an Audit Associate in Ernst & Young and went on to be an Audit Manager. After 9 years with the firm and a short stint with a private firm, Lily joined Ibraco Berhad as Group Internal Auditor in 2015. She became the Corporate Affairs Manager in 2018 and then as the Finance Manager in 2020.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.

CORLISS RESIDENCE

SHARIFAH DEBORAH **SOPHIA IBRAHIM**

Non-Executive Non-Independent Director

Malaysian | AGE 63 | Female

Board Committee Membership
- Nil

Puan Sharifah Deborah Sophia Ibrahim was appointed to the Board of Ibraco Group on 5 July 1982 as an Executive Director and as a member of the Audit Committee on 21 April 2001. She ceased to be a member of the Audit Committee on 3 December 2007 and was redesignated to a Non-Executive Non-Independent Director on 16 April 2008. She also holds directorships in several private limited companies.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.

PROFILE OF DIRECTORS (CONT'D)

CHIN **MUI KHIONG**

Non-Executive Independent Director

Malaysian	71	Male

Board Committee Membership
- Chairman of Nomination and Remuneration Committee
- Chairman of Audit and Risk Management Committee

Mr. Chin Mui Khiong, a Non-Executive Independent Director, was appointed to the Board of Ibraco Group on 26 May 2023. He is also the Chairman of the Audit and Risk Management Committee and Chairman of the Nomination and Remuneration Committee. He is also the Senior Independent Non-Executive Director to whom the public may address their concerns (if any) on the general conducts of Ibraco Group.

Mr. Chin is a member of the Malaysian Institute of Accountants. He started his career with Hanafiah Raslan & Mohammad, Kuching which subsequently merged with Arthur Andersen, which in turn merged with Ernst & Young. He was a Partner of Ernst & Young from 1997 until his retirement in June 2015. He has served as the Partner-in-charge of a number of companies listed on Bursa Malaysia Securities Berhad, as well as private and quasi-government corporations, which included industries such as manufacturing, plantation, banking, construction, transportation, hotel, hospital, education, stockbroking, unit trust and government agencies. He has more than 35 years of professional experience in the areas of audit and business advisory services. He also holds directorships in Hubline Berhad, Landmarks Berhad, Supreme Consolidated Resources Berhad and Development Bank of Sarawak Berhad.

He does not have any family relationship with any Director and/ or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, in any). He does not have any conflict of interest with the Company.

WONG **SIAW WEI**

Non-Executive Independent Director

Malaysian	50	Female

Board Committee Membership
- Member of Nomination and Remuneration Committee
- Member of Audit and Risk Management Committee
- Chairlady of Sustainability Committee

Ms. Wong Siaw Wei, a Non-Executive Independent Director, was appointed to the Board of Ibraco Group on 22 April 2022.

Ms. Wong is a Fellow Member of the Association of Chartered Certified Accountants (UK) and a member of the Malaysian Institute of Accountants. She has more than 20 years of expertise in accounting, auditing, investment banking and corporate affairs. Her professional journey includes roles at Arthur Andersen & Co., Ernst & Young, Aminvestment Bank Berhad and various private and public listed companies.

In 2010, she founded a consultancy company with a primary focus on providing services in consultancy, accountancy, management, and secretarial support. Subsequently in 2016, she established Carbon Xchange (Sarawak) Sdn. Bhd., a company dedicated to sustainable agriculture project management, training services, and the trading of natural agriculture produce. She also holds directorship in CCK Consolidated Holdings Berhad.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). There may be potential conflict of interest with the Company relating to future sustainability initiatives to be implemented by the Company.

PROFILE OF DIRECTORS (CONT'D)

JUNIJAH **BINTI ISMAIL**

Non-Executive Independent Director

Malaysian	55	Female

Board Committee Membership

- Member of Nomination and Remuneration Committee
- Member of Audit and Risk Management Committee
- Member of Sustainability Committee

Puan Junijah Binti Ismail, a Non-Executive Independent Director, was appointed to the Board of Ibraco Group on 26 May 2023. She holds Diploma in Accountancy from Institute Technology Mara.

With over 30 years of extensive experience in finance and accounting, Puan Junijah specialised in various areas including financial statements and reporting, accounting policies and procedures, cash flow, costing, budget and business process improvements. She gained her experience in manufacturing and hospitality sectors. She also holds directorship in other private limited companies and Supreme Consolidated Resources Berhad.

She does not have any family relationship with any Director and/ or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.

THE CORLISS RESIDENCE

PROFILE OF KEY PERSONNEL

HAGEN AVENUE

ANTHONY KONG **SIN HUAT**

Head of Project Development and Construction

Malaysian	67	Male

He joined Ibraco Group as Senior Project Director in June 2024. He graduated with Architecture degree and has been a corporate member of the RIBA since 1994. Collectively, he has obtained over 40 years of experience in the construction industry as consultant and contractor. This involves the construction of buildings in Sarawak, Sabah and Kuala Lumpur, encompassing Commercial Centre, High Rise Residential, Institutional Building, Office Tower, Educational Centre, Medical Centre and Hospital

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

MAY WONG **MEI LING**

Head of Corporate and Secretarial

Malaysian	52	Female

She qualifies as a Chartered Accountant with the Association of Chartered Certified Accountants (ACCA). She is also a member of the Malaysian Institute of Accountants. She was the Chief Financial Officer and Company Secretary of a public listed company for 6 years before joining the Group on 1 February 2010.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

CHAI **MING HSIA**

Head of Contract

Malaysian	49	Female

She has more than 10 years of experience in Quantity Surveying for consultancy, developer and construction firms prior to joining Ibraco Group on 21 May 2013 as Project Special Assistant. She was later appointed as the Senior Contracts Manager in 2016. She graduated with a Bachelor's Degree with Honours in Construction Management and Economics from Australia.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

PROFILE OF KEY PERSONNEL (CONT'D)

KIUNG **TAT YEUNG**

Head of Planning & Design

Malaysian	37	Male

He joined the Group as Architect and Planning Officer in May 2020. He holds a Bachelor of Architecture from Universiti Sains Malaysia (2014) and earned his Professional Architect in 2019. He has been a corporate member of both Lembaga Architect Malaysia (LAM) and Pertubuhan Architect Malaysia (PAM) since then. He possesses a total of 10 years of experience in the construction field starting from design schematic and development to liaising with authorities and project/contract managing. He has experience across a broad spectrum of construction projects, from education institutions and hotel to residential and commercial development, as well as facade retrofitting.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

CHAI **MIN DIANG**

Head of Manufacturing (MSCL)

Malaysian	51	Male

He joined Ibraco Ascent Sdn. Bhd. as Chief Operating Officer in March 2024. He holds a Bachelor's Degree in Business Management and has accumulated over 25 years of experience in the manufacturing, warehousing, logistics, retail, and trading industries, serving as a General Manager and Director. His involvement in business expansion across Sarawak, Sabah, Kuala Lumpur, and Indonesia has provided him with extensive exposure and experience.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

GEORGE TING **CHIONG HIENG**

Head of Sales and Marketing

Malaysian	46	Male

He holds a Mechanical Engineering qualification from Ngee Ann Polytechnic (Singapore). He has served as Chief Marketing Officer of Ibraco Berhad for eight years, overseeing marketing and sales strategies. Prior to returning to Sarawak in end 2017, he accumulated 16 years of international experience across Asia in business development, marketing and sales within the building and construction industry. He brings extensive regional marketing expertise and strong strategic sales capabilities to the Group.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

NEWURBAN RESIDENCE

PROFILE OF KEY PERSONNEL (CONT'D)

HORIZON RESIDENCE

JOYCE LING **CHEI MING**

Head of Human Resource

Malaysian	40	Female

She has 15 years of experience in HR functions before joining Ibraco Group on 26 June 2023 as Senior Human Resource Executive. She was later appointed as the Human Resource Manager in 2024. She obtained her Chartered Human Resource Consultant certification in 2019.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

DENISE YONG **HUI HUI**

Group Internal Auditor

Malaysian	45	Female

She joined the Group as Group Internal Auditor on 19 September 2022. She is a member of CPA Australia and a member of the Malaysian Institute of Accountants. She has more than 23 years of working experience in audit, accounting, finance, risk management and group reporting. Prior to joining Ibraco, she worked in various industries ranging from audit, manufacturing, property & construction and government statutory body.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

CHAIRMAN'S STATEMENT

"

Dear Esteemed Shareholders,

On behalf of the Board of Directors (the "Board"), I am honoured and pleased to present the Annual Report and Audited Financial Statements for Ibraco Berhad ("Ibraco" or "the Company") and its subsidiaries ("the Group") for the financial year ended 31 December 2025 ("FY2025").

"

ECONOMIC ENVIRONMENT **AND OPERATING LANDSCAPE**

Malaysia's economy recorded steady momentum in 2025, with gross domestic product ("**GDP**") expanded by approximately 5.2% for the year, supported by resilient domestic demand, sustained investment activity and improving labour market conditions. Growth gained traction in the latter part of the year, reflecting broad based contributions across key sectors despite ongoing global uncertainties.

Macroeconomic conditions remained supportive. Inflation was contained at around 1.4% in 2025, providing a stable environment for consumption and business operations. The Malaysian ringgit strengthened against the US dollar, appreciating by approximately 10.3% year-on-year ("**YoY**"), reflecting improved investor sentiment and favourable financial market conditions. Foreign direct investment inflows remained positive, underscoring continued confidence in Malaysia's economic fundamentals and medium-term growth prospects.

At the regional level, Sarawak continued to demonstrate steady economic performance, supported by ongoing infrastructure development, energy-related investments and industrial activity. The state's economy is expected to remain supported by large scale infrastructure projects, investment in the oil & gas sector and expanding industrial activities. These factors continue to reinforce Sarawak's role as an important contributor to Malaysia's economic development.

FINANCIAL **PERFORMANCE SNAPSHOT**

Revenue

FY2025: RM769.0 million
FY2024: RM562.8 million

Profit After Tax

FY2025: RM76.6 million
FY2024: RM50.7 million

Profit attributable to owners of the Company

FY2025: RM71.6 million
FY2024: RM48.8 million

Earnings Per Share

FY2025: 13.11 sen
FY2024: 8.93 sen

Reflecting the Group's performance in FY2025 and its healthy financial position, the Board has proposed a single-tier final dividend of 4.00 sen per share, amounting to approximately RM21.841 million in total. This represents a dividend payout ratio of approximately 31% of the Group's profit attributable to owners of the Company for the financial year.

KEY PROPERTY **DEVELOPMENT HIGHLIGHTS**

Within the property development segment, FY2025 was characterised by continued execution across the Group's development portfolio, with progress achieved through a combination of new project rollouts, advancement of ongoing townships and disciplined asset monetisation.

During the year, the Group officially launched PrimeBay Industrial Park, a purpose-built industrial development located within the Demak Laut Industrial Zone, Kuching. Spanning approximately 23.1 acres, the development comprises 73 factory units, consisting of 62 two-storey semi-detached factories and 11 two-storey detached factories, designed to meet demand for organised and well-connected industrial space. Benefitting from its proximity to Senari Port, the Sejingkat Industrial Area and key transport linkages, PrimeBay Industrial Park supports small and medium enterprises, logistics operators and light industrial users, and represents a strategic expansion of the Group's industrial property portfolio in Sarawak.

In township and residential development, the Group continued to advance Arden City in Kota Samarahan, an integrated township comprising residential, serviced apartment, commercial and community components. A key residential offering within Arden City is Aster Court, a serviced apartment development comprising 672 units. In addition, green corridors, landscaped public spaces and shaded pedestrian routes are incorporated across Arden City to reduce urban heat and encourage walkability, reflecting the Group's emphasis on liveable, people-centric urban design.

Beyond East Malaysia, the Group continued to make progress on NewUrban @ PJ South, its residential development in Petaling Jaya which was launched in the prior financial year. The project comprises 922 serviced apartment units housed within two 36-storey blocks on a 6.02-acre site, with unit sizes ranging from approximately 550 sq ft to 1,000 sq ft, catering to young families, professionals and first-time homebuyers seeking practical and well-designed urban homes.

The Group also expanded its customer engagement footprint during the year with the opening of its first sales gallery in Sibu, strengthening its presence in central Sarawak and enhancing accessibility for homebuyers and investors.
In addition, Ibraco entered into an agreement for the sale of a parcel of land within its NorthBank township to NorthBank Specialist Hospital Sdn Bhd, facilitating the future development of a specialist healthcare facility. The transaction is expected to unlock value from the Group's land bank while enhancing the township's long-term positioning through the introduction of a healthcare anchor.

CHAIRMAN'S STATEMENT (CONT'D)

KEY PROPERTY DEVELOPMENT HIGHLIGHTS (CONT'D)

Collectively, these initiatives reflect the Group's disciplined and balanced approach to property development, balancing new project launches, portfolio progression and value realisation, while positioning Ibraco to benefit from continued demand across both East and West Malaysia.

SUSTAINABILITY **MATTERS**

Throughout FY2025, sustainability continued to guide the way Ibraco conducts its business, in line with the Group's sustainability agenda, which emphasises the strengthening of the integration of Environmental, Social and Governance ("**ESG**") principles across all aspects of its operations and throughout its value chain. This includes aligning sustainability priorities with the Group's corporate and business strategies, embedding sustainability considerations in all decision-making processes and long-term value creation, as guided by the vision of "Aligning for Growth".

During the year, the Group's efforts were directed towards the following areas:

ENVIRONMENTAL

a. **Green Certification –** We completed the Renewal of Green Certification for the Group's headquarters.
b. **Tree Planting –** We enhanced the planting of trees and shrubs, alongside turfing works across development areas.
c. **Rainwater Harvesting System for Premium Projects –** We incorporated rainwater harvesting tanks at the Group's mild steel cement lined pipe ("**MSCL**") operations, where harvested rainwater from on-site pond is utilised to support operational activities.
d. **Environmental Management System Certification –** Ibraco Construction Sdn. Bhd. successfully renewed its ISO14001:2015 Environmental Management System certification, as well as its ISO9001:2015 Quality Management System reinforcing environmental governance and responsible construction practices across development projects.

INFRASTRUCTURE **AND INDUSTRIAL SEGMENT UPDATE**

The Group's construction activities continued to underpin its operating base during the year, supported by ongoing participation in Sarawak's public infrastructure programme. Execution remained focused on transport-led developments, with works progressing under the Second Trunk Road project in the Kota Samarahan Division and the Kuching Urban Transportation System, both of which reflect the Group's involvement in large-scale and technically demanding infrastructure works.

At the same time, the Group advanced its industrial support capabilities to strengthen project delivery. The commissioning of the mild steel cement lined pipe facility and the asphalt mixing plant provides greater control over key construction materials, contributing to improved cost management and operational efficiency. The Group's quarry operations at Pulau Salak continued to supply aggregates for ongoing works, while the approval of a new quarry licence at Gunung Sinmajau further reinforces raw material availability and supply continuity for future projects.

NORTHBANK CENTRAL

CHAIRMAN'S STATEMENT (CONT'D)

SOCIAL

a. **Charity Partnerships –** We collaborate with Hope Place Kuching to support underprivileged families through financial contributions, food supplies, essential household items, and education support.
b. **Community Outreach Programme –** We backed Charity Without Border #12 initiative to uplift the wellbeing of approximately 150 families in Rh. Pilai Nanga Pila, Batang Rajang, Kapit.
c. **Housing Support Initiatives –** We assist beneficiaries of Hope Place Kuching through house repair and cleaning efforts to improve living conditions.
d. **Medical Assistance –** We aid the Sarawak Children's Cancer Society as the main sponsor for its Go Bald campaign, in support of children undergoing cancer treatment and their families.
e. **School and Community Programmes –** We contributed to school-led initiatives and local community events at the Group's operational sites, supporting improvements that benefit students and surrounding communities.
f. **Community Infrastructure Enhancements –** We sponsored improvements to local community infrastructure, including the expansion of parking areas, construction of a mosque fence in Pulau Salak, and repairs to long houses in Bau, to benefit community wellbeing.

GOVERNANCE

a. We strengthened oversight on ESG matters through the Board and Sustainability Committee, including climate-related risks, sustainability performance, and strategic direction.
b. We reinforced a zero-tolerance approach towards Anti-Bribery and Corruption ("**ABC**") through formal policies, contractual clauses for business associates, and 100% employee completion of ABC training via an enhanced e-learning platform.
c. We maintained whistleblowing and grievance channels to safeguard employees stakeholders.
d. We continued the adoption of certified management systems, including ISO9001:2015 (Quality Management Systems) and ISO14001:2015 (Environmental Management Systems), alongside the implementation of ISO45001:2018 (Occupational Health and Safety Management system) certifications across the Government-related business segments, strengthening operational controls, quality assurance, and environmental governance.
e. We conducted regular internal audits and structured risk assessments to monitor compliance, identify risks, and enhance internal controls across operations.
f. We integrated climate-related risks and opportunities into the Group's risk management framework, supported by emissions tracking of Scope 1, Scope 2, and selected Scope 3, alongside enhanced climate-related disclosures.
g. We promoted ethical and responsible material sourcing by requiring contractors and suppliers to comply with set policies, safety standards, and environmental practices.
h. We strengthened ESG data collection, monitoring, and reporting practices to enhance transparency, accountability, and informed decision-making.
i. Continuous employee training programmes covering ethics, compliance, anti-corruption, safety and health, and governance-related courses were conducted to reinforce a culture of integrity across the workforce. For FY2025, the Group achieved 100% participation in anti-corruption training, alongside a significant increase in the number of safety and health-related courses conducted, reaching a larger number of employees.

These initiatives reflect Ibraco's approach to operating responsibly while supporting sustainable, long-term value creation. More details are outlined in our Sustainability Report.

HORIZON RESIDENCE

CHAIRMAN'S STATEMENT (CONT'D)

2026 OUTLOOK

Looking ahead to 2026, the Board expects the Group to continue benefitting from ongoing infrastructure investment in Sarawak, particularly in water, transport and airport-related projects. These areas remain aligned with public sector development priorities and provide visibility for infrastructure-related opportunities.

In property development, the Group will continue to advance its integrated township developments, including NorthBank and Arden City, in line with market conditions and phased development plans. These townships are positioned to support long-term urban growth and evolving community needs.

The Board also recognises the increasing emphasis on renewable and clean energy in Sarawak and the broader region. As demand for sustainable energy infrastructure rises, the Group expects related infrastructure and civil works to create supporting opportunities over time.

Overall, the Group enters 2026 with a strategy centred on infrastructure-led growth, supported by complementary industrial capabilities and selective township development, while remaining attentive to execution discipline, capital management and evolving market conditions.

APPRECIATION

NEWURBAN RESIDENCE

On behalf of the Board, I would like to convey my sincere appreciation to our shareholders and stakeholders, including our customers, business partners, financiers and the relevant authorities, for your continued support and confidence in the Group. Your trust has been an important source of encouragement as we advance our strategic priorities.

I also wish to record my appreciation to my fellow Board members for their guidance, insight and stewardship. Your collective experience and counsel have been instrumental in navigating a dynamic operating environment and in providing clear direction for the Group's long-term development.

In addition, I extend my thanks to our management team and all employees for their dedication, resilience and commitment throughout the year. Your collective efforts have enabled the Group to respond effectively to changing market conditions, progress key initiatives and maintain high standards of execution across the business.

As we look ahead, the Group remains focused on sustaining its growth momentum and delivering consistent, long-term value. I thank all stakeholders for being part of Ibraco's journey and look forward to our continued progress together.

Thank you,

Mr. Ng Cheng Chuan
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

BY GROUP MANAGING DIRECTOR

DATUK CHEW **CHIAW HAN**

"

Dear shareholders,

The financial year ended 31 December 2025 ("FY2025") marked a year of solid execution and continued momentum for Ibraco Berhad ("Ibraco" or the "Group"), supported by resilient domestic economic conditions and sustained development activity in Sarawak. Against a backdrop of continued infrastructure spending and urban development initiatives, we advanced our key property development projects, delivered consistent progress across our construction portfolio and strengthened our vertically integrated operating model. This year also reflected disciplined project management and a focus on aligning operations with longer-term growth opportunities.

Building on these developments, we are pleased to share the Group's performance in FY2025, alongside key operational highlights and management's outlook as we move into the new financial year.

"

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF THE GROUP'S **BUSINESS AND OPERATIONS**

With Sarawak benefiting from sustained infrastructure spending under federal and state development plans, and with unbilled property sales of RM304.3 million as at 31 December 2025, Ibraco is positioned to deliver strong earnings momentum in years ahead, supported by a diversified business model that includes property development, construction, manufacturing and other complementary businesses.

Ibraco is a Sarawak-based integrated property and construction group with more than five decades of operating history. Incorporated in 1971 and listed on Bursa Malaysia Securities Berhad in 2004, we have established ourselves as a recognised developer and builder in East Malaysia, with an expanding footprint in the Klang Valley.

The Group's core business lies in property development, underpinned by a sizeable landbank of approximately 635 acres with an estimated gross development value ("**GDV**") of RM5.1 billion as at 31 December 2025, primarily concentrated in Kuching and Bintulu in Sarawak, and Kuala Lumpur. Over the years, Ibraco has delivered large-scale township developments alongside mixed-use and high-rise projects that integrate residential, commercial and lifestyle components.

Complementing property development is the construction segment, which has evolved beyond in-house construction works to include public infrastructure and government-linked projects across Sarawak. This segment has emerged as our largest revenue and earnings contributor, supported by a robust outstanding order book of approximately RM734.8 million as at 31 December 2025, providing strong medium-term earnings visibility.

To enhance vertical integration and cost control, we have also expanded into quarrying, ready-mix concrete, asphalt premix and manufacturing. In 2024, Ibraco successfully commissioned the asphalt premix plant and a mild steel cement-lined ("**MSCL**") pipe manufacturing plant. These strategic expansion of construction supply chain have enhanced the Group's operational capabilities and supporting ongoing and future projects, ie. infrastructure works, Sarawak Water Supply Grid Program and Pipeline Replacement Program rolling out by the Sarawak Government. These downstream activities are designed to support the Group's construction and development activities while gradually building external revenue streams.

In addition, Ibraco derives recurring income from investment properties and The NorthBank Club, which generate rental and membership subscription income, contributing to earnings stability.

THE BUILDING BLOCKS: **BUSINESS SEGMENTS**

Property Development

Property development forms the foundation of Ibraco's business and brand identity. This segment was established in the early 1970s and has since delivered a wide spectrum of residential, commercial and mixed-use developments across Sarawak and Peninsular Malaysia.

We develop mainly townships, focusing on large land parcels that allow for phased development and long-term value creation. Flagship projects such as Tabuan Jaya Township have seen the completion of more than 12,000 properties across approximately 1,400 acres, transforming the area into one of Kuching's most established residential addresses. Other completed developments include Tabuan Tranquility and Stutong Heights in Sarawak, and Continew in Kuala Lumpur.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

Property Development (Cont'd)

Our ongoing developments:

The NorthBank

THE NORTHBANK

Project Estimated GDV	Location	Target Completion
RM2.2 billion	Kuching, Sarawak	2029

The NorthBank is a 123-acre integrated mixed-use township development in Kuching, Sarawak, strategically located opposite the Group's established Tabuan Tranquility development. Conceived as a comprehensive master-planned township, The NorthBank integrates residential, commercial, recreational and community components to support long-term liveability and value creation. It is expected to benefit from improved connectivity via Sarawak's upcoming Autonomous Rapid Transit ("**ART**") system, supporting transit-oriented development.

The residential component comprises a mix of gated and guarded landed homes and serviced apartments designed to cater to a broad range of homebuyers and lifestyle needs. These offerings are complemented by retail outlets, office spaces, educational facilities and community amenities within the township, alongside The NorthBank Club, an exclusive members-only clubhouse providing leisure, wellness and social facilities.

Currently, approximately 60% of The NorthBank's masterplan has been launched. A landmark collaboration with a well-established regional private healthcare provider headquartered in Singapore, Health Management International Pte Ltd ("**HMI Medical**"), on the development of Regency Hospital Kuching, a cutting-edge 300-bed smart specialist hospital that elevates the township's healthcare offering.

Adding to this, Ibraco is introducing a neighbourhood mall, The NorthBank Business Park, an exclusive 11-acre lifestyle and commercial hub. Thoughtfully designed as a one-stop destination, it brings together leisure, wellness, education, dining, and business in a safe, contemporary, and vibrant environment. By minimising the need for extensive travel, the Business Park is set to become Kuching's prime lifestyle-commercial centre, redefining modern family living and community convenience.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

Property Development (Cont'd)

Our ongoing developments: (Cont'd)

Arden City

ARDEN CITY

Project Estimated GDV	Location	Target Completion
RM1.4 billion	**Kota Samarahan, Sarawak**	**2032**

In January 2024, we launched Arden City, a 76-acre integrated township development located in Kota Samarahan, Sarawak. Strategically positioned near key institutional and healthcare facilities such as Universiti Malaysia Sarawak ("**UNIMAS**"), the Sarawak Heart Centre and the future Sarawak Cancer Centre, Arden City is planned as a mixed development integrating residential, commercial and community components. The township is also expected to benefit from connectivity to Sarawak's new ART system, supporting improved accessibility and transit-oriented development. The masterplan includes residential homes, serviced apartments, a commercial hub, office spaces and community facilities.

The first phase of Arden City is The Atrium, a retail and office cluster located adjacent to the medical centres and near UNIMAS, which was launched in January 2024 with an estimated GDV of RM84.4 million. The residential component includes Aster Court, a serviced apartment development comprising 672 units across two towers featuring dual-key configurations and supported by shared recreational facilities and landscaped spaces. Launched in September 2024 with an estimated GDV of RM337.0 million, Aster Court forms part of the township's residential rollout. Arden City's design also incorporates green corridors, shaded walkways and a covered pedestrian link to the SM05 ART station, supporting improved last-mile connectivity and the long-term development of the Kota Samarahan growth corridor.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

Property Development (Cont'd)

Our ongoing developments: (Cont'd)

Town Square Bintulu

TOWN SQUARE BINTULU

Project Estimated GDV	Location	Target Completion
RM1.0 billion	**Bintulu, Sarawak**	**2029**

Town Square Bintulu is a 26-acre integrated mixed-use township located in Bintulu, Sarawak, a joint venture between Ibraco and Bintulu Development Authority ("**BDA**"), forming part of the Group's strategy to establish well-planned urban centres in key growth corridors across the state. Designed as a self-contained development, the township integrates residential, commercial and office components to serve the surrounding community, supported by Bintulu's role as an industrial and commercial hub.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

Property Development (Cont'd)

Our ongoing developments: (Cont'd)

Residensi NewUrban

NEWURBAN RESIDENCE

Project Estimated GDV	Location	Target Completion
RM528.6 million	**Petaling Jaya, Selangor**	**2027**

The Group has strengthened its footprint in West Malaysia with the launch of Residensi NewUrban, its first development in Petaling Jaya and second in the region after the success of Residensi Continew in Kuala Lumpur. This high-rise serviced apartment project comprises two 36-storey towers with 922 units, offering layouts between 553 sqft and 1,000 sqft. With an estimated GDV of RM528.6 million, the development benefits from a prime location near Sunway Pyramid, Taylor's University, and Sunway Medical Centre, making it highly attractive to both homebuyers and investors. Launched in FY2024, sales performance has been encouraging, and completion is targeted for FY2027.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

Property Development (Cont'd)

Our ongoing developments: (Cont'd)

PrimeBay Industrial Park

PRIMEBAY INDUSTRIAL PARK

Project Estimated GDV	Location	Target Completion
RM154.1million	Kuching, Sarawak	2029

During FY2025, we launched PrimeBay Industrial Park, a 23.1-acre industrial development located within the established Demak Laut Industrial Zone in Kuching, Sarawak. Launched in August 2025, the project is strategically positioned to serve small and medium-sized enterprises, manufacturers and logistics operators, supported by its proximity to key infrastructure such as Senari Port and the upcoming Sejingkat Bridge, which improves connectivity to major transportation and trade routes.

The development comprises 73 factory units with flexible layouts designed to accommodate a range of industrial and logistics requirements, addressing the growing demand for modern and cost-efficient industrial space in Sarawak while complementing the Group's broader portfolio of industrial and commercial developments.

The launch also reflects our ongoing efforts to broaden our development offerings and support industrial growth within key economic zones in Sarawak.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

Construction

The construction segment has grown into Ibraco's primary revenue and profit driver with a strong order book driven by strategic execution of key projects.

These projects include the Sarawak Second Trunk Road Project, which involves the Construction of the new Batang Samarahan Bridge and a 9-kilometer four-lane dual carriageway from Batang Samarahan to Batang Sadong in the Kota Samarahan Division, which is due to be completed in year 2027. This project aims to enhance connectivity within Sarawak by constructing a new bridge and new road infrastructure.

The Kuching Urban Transportation System ("**KUTS**") Project, specifically the Blue Line Package 1 spanning from Rembus (Kota Samarahan) to Stutong (Kuching), represents another key source of revenue for the Group. This major infrastructure initiative is being undertaken through a joint collaboration between Ibraco Construction Sdn Bhd (51%), China Railway Engineering Corporation (M) Sdn Bhd (39%), and Nanyang Tunnel Engineering Sdn Bhd (10%). This project is part of the KUTS initiative to improve urban mobility in Kuching through the development of a modern transportation system.

Manufacturing

Manufacturing represents a newer but strategically important segment for us. In 2024, the Group successfully commissioned its MSCL pipe manufacturing plant with an annual capacity of approximately 30,000 metric tonnes ("**mt**").

In addition, the Group has commissioned a ready-mix concrete plant and an asphalt premix plant, both intended to support internal construction needs while gradually serving third-party customers. These facilities enable Ibraco to secure supply continuity, improve cost management and capture additional margins within the construction value chain.

Quarry

The quarry segment supports both the construction and manufacturing divisions by supplying raw materials. This segment enhances the Group's vertical integration, reduces reliance on third-party suppliers and improves cost predictability, particularly during periods of heightened construction demand.

The Group's quarry operation at Pulau Salak, Kuching, is running with an average monthly production capacity of 35,000 to 40,000 metric tonnes. In line with our strategic expansion initiatives, our new quarry reserve at Gunung Sinmajau, located at Mile 14 Serian-Tebedu in the Serian Division, is scheduled to commence operations in the second half of 2026. This addition will not only enhance the Group's supply capabilities but also reinforce our commitment to supporting regional development, meeting growing market demand, and ensuring long-term sustainability in our operations.

Other Businesses

Our other business segment comprises investment properties and The NorthBank Club, which generate recurring rental and subscription income. These businesses complement the Group's broader township developments, particularly within the NorthBank.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2025 IN **SUMMARY**

For 2025, Malaysia's economy recorded strong year-on-year ("**YoY**") growth of 5.2%, reflecting sustained economic momentum compared with the corresponding period of the previous year. Economic expansion during the period was primarily driven by resilient domestic demand, supported by positive labour market conditions, continued household spending and ongoing public sector development activities. The services, manufacturing, agriculture, construction and manufacturing sectors remained key contributors, while investment activity continued to benefit from infrastructure-related spending and development projects.

Despite ongoing uncertainties in the global environment, including heightened trade and geopolitical developments, Malaysia's economic performance over the twelve-month period remained underpinned by domestically driven growth factors. The cumulative year-to-date performance provides a stable backdrop for business activity, particularly for sectors linked to construction, infrastructure and property development, where demand continues to be supported by government-led initiatives and long-term development plans[1].

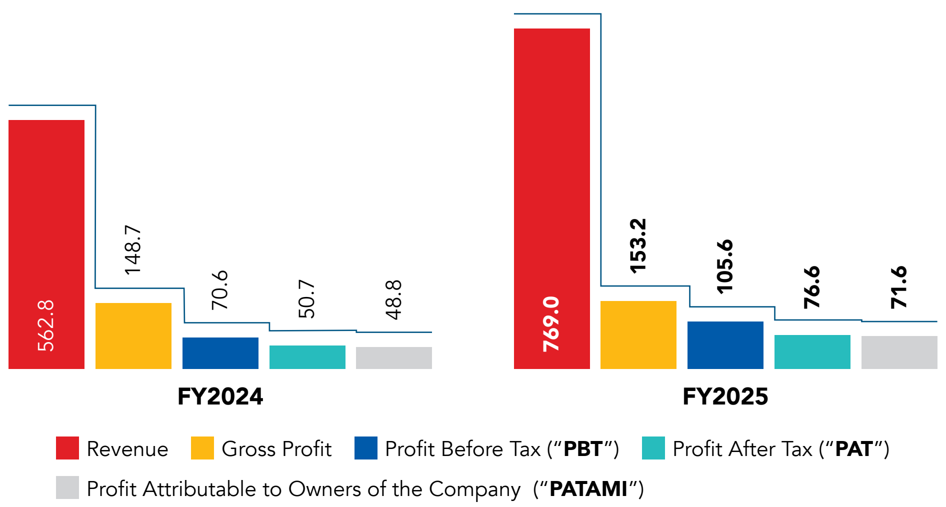
Against this backdrop, Ibraco operates within sectors that are closely aligned with Malaysia's domestic growth drivers. The Group's exposure to property development and construction activities, particularly in Sarawak, positions us favourably amid sustained infrastructure spending and urban development initiatives. The cumulative improvement in economic activity over 2025 supports demand for construction works and property development, while the Group's strong construction order book and unbilled property sales provide earnings visibility for the remainder of FY2026.

[1] Gross Domestic Product Fourth Quarter 2025

FINANCIAL TRIUMPHS: **FY2025'S FINANCIAL REVIEW**

Revenue and Profitability

REVENUE AND PROFITABILITY (RM Million)



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL TRIUMPHS: FY2025'S FINANCIAL REVIEW (CONT'D)

Revenue and Profitability (Cont'd)

For FY2025, Ibraco's revenue increased by 36.6% YoY to RM769.0 million compared with RM562.8 million recorded in the previous financial year ("**FY2024**"). The stronger performance was supported by higher contributions from the construction segment as progress continued on the KUTS Blue Line Package 1 and the Sarawak Second Trunk Road (Package A1-A) projects. In addition, the property development division recorded higher sales during the year under review, helped by contributions from existing developments as well as new project launches.

Other income increased to RM37.2 million in FY2025, compared with RM8.6 million in the previous financial year. The increase was mainly attributable to compensation received for land acquired by the state government under the existing land code, as well as fair value gains recognised on investment properties.

In line with the higher revenue and other income recorded during the year, PBT increased by 49.6% YoY to RM105.6 million compared with RM70.6 million in FY2024. Consequently, PAT rose 51.1% YoY to RM76.6 million, while PATAMI increased 46.7% YoY to RM71.6 million, compared with RM50.7 million and RM48.8 million respectively in the previous financial year.

Profit Margins	FY2024	FY2025
GP	26.4%	**19.9%**
PBT	12.5%	**13.7%**
PAT	9.0%	**10.0%**
PATAMI	8.7%	**9.3%**

We recorded a softer GP margin of 19.9% in FY2025 compared to FY2024's 26.4% mainly due to a higher revenue mix from the Construction Works segment, which generally carries lower margins than the Property Development segment. Notwithstanding that, our PBT, PAT and PATAMI margins edged higher to 13.7%, 10.0% and 9.3% in contrast to FY2024's 12.5%, 9.0% and 8.7% respectively as FY2025's profits included higher contribution from other income.

Segmental Performance

Segment	FY2024	FY2025	YoY changes
Property development	RM256.3 million	**RM300.5 million**	↑ 17.2%
i. Mainly from the continued development in: • ***The NorthBank, Kuching*** Revenue stood at RM146.1 million, representing 48.6% of the property development segment revenue. • ***Town Square Bintulu, Bintulu*** Revenue stood at RM49.2 million, representing 16.4% of the property development segment revenue. • ***NewUrban Residence, Petaling Jaya*** Revenue stood at RM59.7 million, representing 19.9% of the property development segment revenue. ii. Disposal of a piece of property development land.			
Construction	RM264.8 million	**RM419.9 million**	↑ 58.6%
Mainly from the progressing KUTS Blue Line Package 1 and Sarawak Second Trunk Road (Package A1-A) projects.			
Manufacturing	RM13.7 million	**RM19.8 million**	↑ 44.5%
Improved on the back of higher activities in the construction segment, supported by the Group's ongoing project execution as well as stronger construction activities across Sarawak.			

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL TRIUMPHS: FY2025'S FINANCIAL REVIEW (CONT'D)

Segmental Performance (Cont'd)

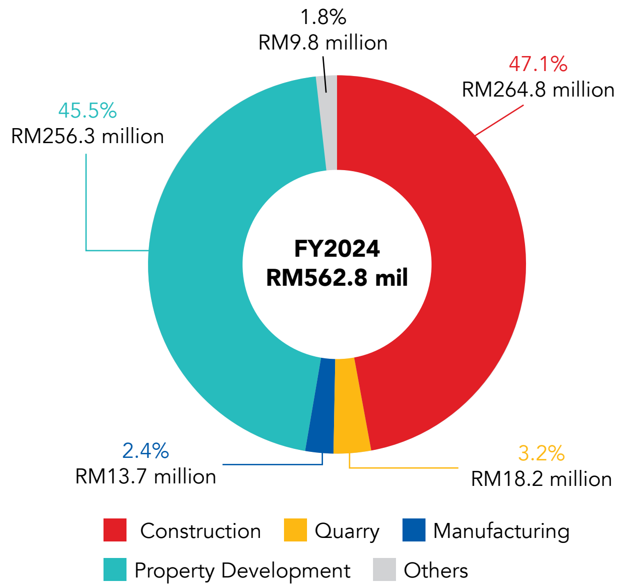
Segment	FY2024	FY2025	YoY changes
Quarry	RM18.2 million	**RM18.4 million**	↑ 1.1%
Improved on the back of higher activities in the construction segment, supported by the Group's ongoing project execution as well as stronger construction activities across Sarawak.			
Others	RM9.8 million	**RM10.4 million**	↑ 6.1%
Additional rental income from a newly completed F&B drive-thru investment property in Bintulu.			

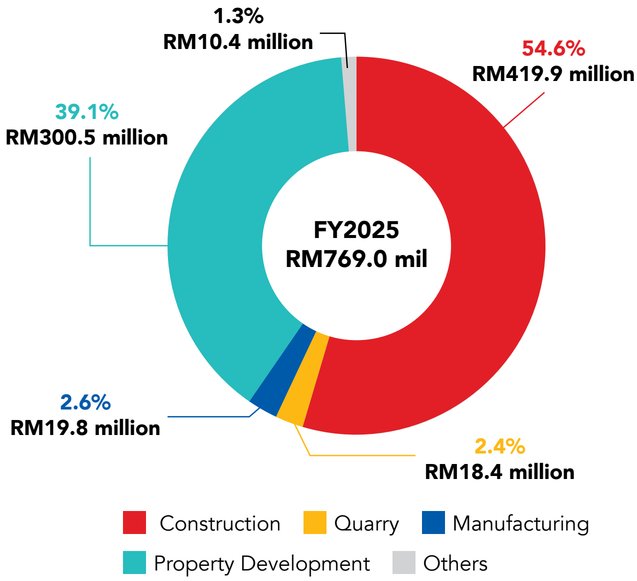
Segment Breakdown

In FY2025, the Construction segment recorded higher contributions, accounting for 54.6% of the Group's total revenue compared with 47.1% in FY2024. The Property Development segment, which was the largest contributor in the prior year, represented 39.1% of total revenue compared with 45.5% in FY2024.

Meanwhile, the Manufacturing segment contributed 2.6% of total revenue compared with 2.4% in the previous financial year. The Quarry and Others segments accounted for 2.4% and 1.3% of FY2025 revenue respectively, compared with 3.2% and 1.8% recorded in FY2024.

The Group has strategically managed its loans and borrowings to support expansion while maintaining financial prudence. The Group's total loans and borrowings amounted to RM521.6 million as at 31 December 2025, reflecting an increase of 22.5% compared with RM425.8 million recorded as at 31 December 2024. The higher borrowings were mainly attributable to additional revolving credit and contract facilities, and term loans utilised to support ongoing construction and property development activities as well as the Group's expansion activities and investments in supply chain set-up. As a result, the Group recorded higher gearing at the end of FY2025 0.71 times (FY2024 at 0.68 times) reflects the utilisation of financing facilities to fund working capital requirements and ongoing project developments, while remaining supported by the Group's strengthened equity base and improving profitability.





MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL TRIUMPHS: FY2025'S FINANCIAL REVIEW (CONT'D)

Financial Performance

RM million unless stated otherwise	FY2024	FY2025	YoY changes
Total assets	1,268.0	**1,475.6**	+16.4%
Cash and cash equivalents	73.1	**110.6**	+51.3%
Total liabilities	750.8	**892.8**	+18.9%
Total equity	517.2	**582.8**	+12.7%
Total borrowings	425.8	**521.6**	+22.5%
Gearing ratio, times	0.68	**0.71**	n.a.

Total assets: As at 31 December 2025, our total assets increased to RM1,475.6 million compared with RM1,268.0 million recorded as at 31 December 2024. The increase was mainly attributable to higher current assets, namely inventories and trade receivables, in line with the expansion of construction activities and continued progress of property development projects during the year.

Cash and cash equivalents: Cash and cash equivalents rose to RM110.6 million as at 31 December 2025 compared with RM73.1 million in the previous financial year. The cash position was lifted by financing activities during the year and reflects the Group's liquidity position to support ongoing project development and operational requirements.

Total liabilities: Total liabilities increased to RM892.8 million at the end of the current year under review compared with RM750.8 million recorded a year ago. The increase was largely driven by higher trade and other payables and short-term borrowings.

Total equity: Total equity attributable to shareholders and non-controlling interests rose to RM582.8 million as at 31 December 2025 compared with RM517.2 million in the previous year. The increase was primarily driven by the profit generated during the financial year.

Total borrowings: Total loans and borrowings increased to RM521.6 million as at 31 December 2025 compared with RM425.8 million recorded as at 31 December 2024. The higher borrowings were mainly attributable to additional revolving credit facilities and term loans utilised to support ongoing construction and property development activities.

Gearing Ratio: The higher gearing at the end of FY2025 reflects the utilisation of financing facilities to fund working capital requirements and ongoing project developments, while remaining supported by the Group's strengthened equity base and improving profitability.

RISKS AND **MITIGATIONS**

In a dynamic operating environment, the Group continues to exhibit upward momentum, supported by disciplined execution and a structured risk management framework that enables timely and well-informed decision-making. Clear risk parameters are embedded across our operations, allowing the Group to respond proactively to evolving conditions while sustaining delivery momentum. Through continuous monitoring and targeted mitigation measures, the Group maintains operational stability, strengthens financial capacity and retains the ability to deliver a strong financial performance and support sustainable growth.

In the context of prevailing geopolitical tensions, the Group's key exposure remains linked to uncertainties in property market conditions and sales absorption. The performance of the property development segment is influenced by various external factors, including buyer sentiment, availability of financing, and absorption rates across different market segments. Adverse changes in these factors may impact the timing of project launches, sales momentum, and the recognition of revenue.

In addition, the Group remains vigilant in managing project execution and cost efficiency. The construction segment is inherently exposed to execution risks associated with large-scale infrastructure and building projects, including potential construction delays and cost overruns. If not effectively managed, such risks may adversely affect project margins and completion timelines.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

MOVING **FORWARD**

Looking into 2026, Malaysia's economic outlook is expected to remain supported by domestic demand, although external conditions may remain challenging and uncertain amid evolving global trade dynamics. According to RAM Ratings[2], Malaysia's real gross domestic products ("**GDP**") growth in 2026 is projected to expand at a moderate pace of approximately 4.0% to 5.0%, underpinned by resilient private consumption, continued investment activity and the progressive implementation of public sector development programmes. While external uncertainties may continue to influence global economic conditions, domestic demand is expected to remain a key driver of economic activity. Within this environment, the overall macroeconomic landscape is expected to provide a relatively stable platform for business and consumer activity.

From a fiscal and policy perspective, the Federal Government's 13th Malaysia Plan ("**13MP**") reinforces a continued emphasis on development-led growth, with Sabah and Sarawak expected to receive record federal allocations for infrastructure, utilities, healthcare and connectivity-related projects. Development expenditure is anticipated to remain a key driver of economic activity in 2026, particularly in transportation, energy-related infrastructure, urban development and public facilities. This sustained focus on regional development supports investment momentum in Sarawak and reinforces its role as a key contributor to national growth, providing a constructive operating backdrop for domestically oriented sectors.

Against this macroeconomic landscape, Ibraco's property development segment is expected to benefit from stable underlying demand, supported by urbanisation trends, infrastructure-driven accessibility improvements and continued public and private sector investments in Sarawak. The Group's township-based development model provides flexibility in pacing launches and calibrating product offerings in line with prevailing market conditions, while our established presence in Kuching, Kota Samarahan and Bintulu position us well to benefit from areas experiencing sustained population growth and infrastructure enhancements.

The construction segment is expected to continue playing a central role in our performance in 2026, supported by the steady implementation of approved public infrastructure projects and government-linked developments across Sarawak. Importantly, the Group's vertically integrated operating model enhances inter-segment synergies. Construction activities directly support demand for the quarry, ready-mix concrete, asphalt premix and manufacturing operations, creating meaningful inter-segment synergies that improve utilisation rates and support margin resilience. Demand for construction materials and MSCL pipes is expected to remain supported by infrastructure-related works, reinforcing internal supply chain efficiency while enabling the gradual expansion of external sales.

Overall, while global economic and trade-related uncertainties are expected to persist into 2026, Malaysia's domestically driven growth profile, supported by moderate GDP expansion, together with sustained development spending in Sarawak, provides a constructive backdrop for the Group. With a diversified business model spanning property development, construction, manufacturing and quarrying, underpinned by vertical integration and a visible project pipeline, Ibraco has the structural capacity to navigate external uncertainties while capturing opportunities arising from continued infrastructure development and urban growth in Sarawak.

IN **CLOSING**

On behalf of management, I would like to express our sincere appreciation to the Board of Directors for their leadership, guidance and oversight throughout the year. We are also grateful to our shareholders for their continued confidence and long-term support, which underpin the Group's strategic direction and growth ambitions.

Our appreciation extends to our financiers for their continued support and trust, which have enabled the Group to manage liquidity effectively and pursue development opportunities. We also thank our business partners, contractors and suppliers for their collaboration and commitment, which remain integral to the successful delivery of our projects.

Finally, I wish to acknowledge the dedication and efforts of our employees, whose professionalism and teamwork have been instrumental to the Group's performance and progress during FY2025.

Yours sincerely,

Datuk Chew Chiaw Han
Group Managing Director

[2] Resilient economy underpins 2026 outlook, but current headwinds may weigh on upside