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Melati Ehsan Holdings Berhad

Company Registration No. 200401034784 (673293-X)

From Vision to Skyline

Annual Report 2025



21st

Annual General Meeting



Dewan Berjaya,
Bukit Kiara Equestrian &
Country Resort,
Jalan Bukit Kiara,
Off Jalan Damansara,
60000 Kuala Lumpur.



26 February 2026,
Thursday



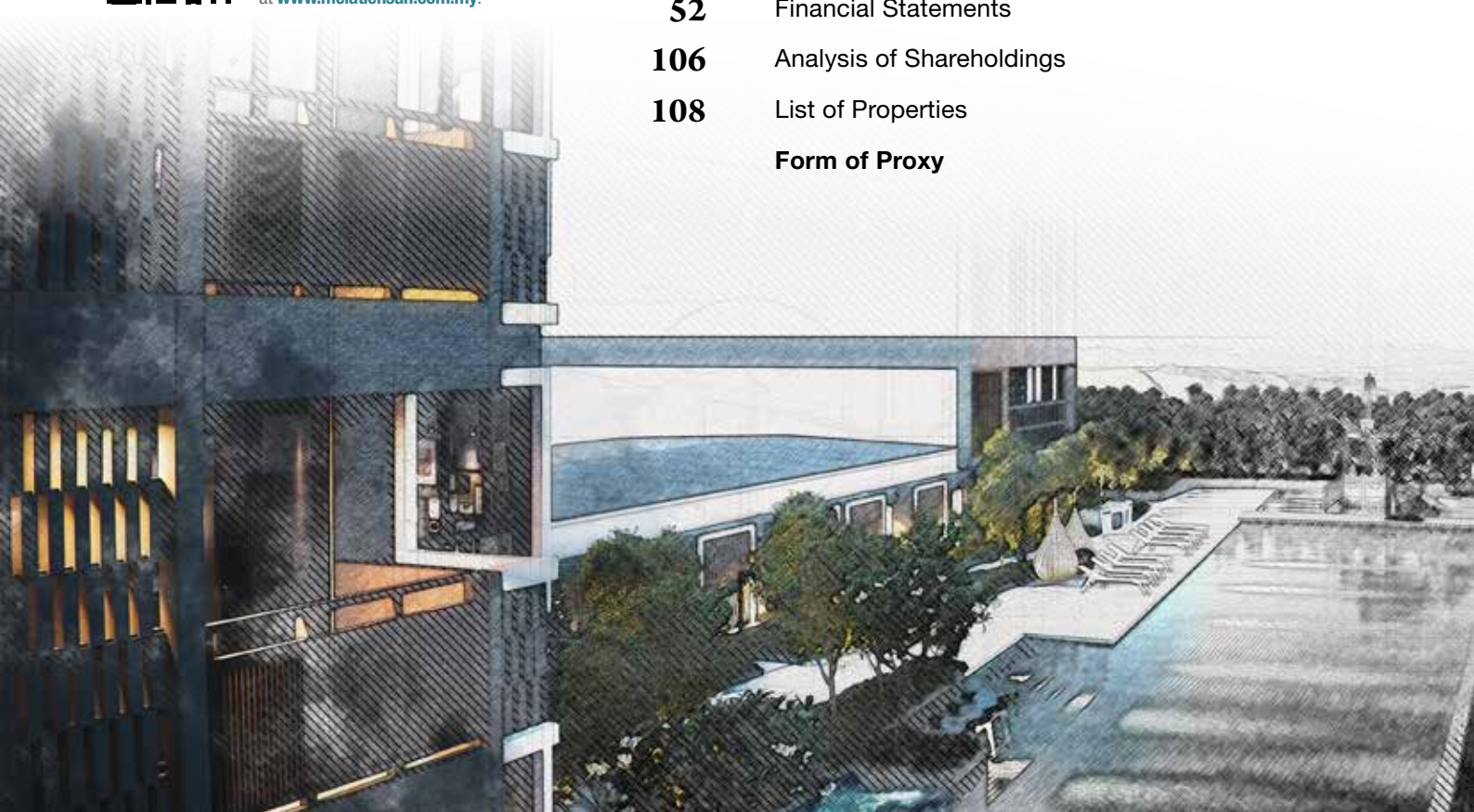
10.00 a.m.



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Notice of Twenty First Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty First Annual General Meeting of the Company will be conducted at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 26 February 2026, at 10.00 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS:

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 August 2025 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note (a) |
| 2. | To declare a first and final single tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 August 2025. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors' Fees of up to RM267,000.00 for the period from 26 February 2026 until the next Annual General Meeting in the year 2027. | Ordinary Resolution 2 |
| 4. | To approve the payment of Directors' allowances of up to RM27,000.00 for the period from 26 February 2026 until the next Annual General Meeting in the year 2027. | Ordinary Resolution 3 |
| 5. | To re-elect Mr. Yap Wei Sam who retires in accordance with Clause 97 of the Company's Constitution and being eligible, offer himself for re-election. | Ordinary Resolution 4 |
| 6. | To re-elect Madam Loo Yeok Bee who retires in accordance with Clause 97 of the Company's Constitution and being eligible, offer herself for re-election. | Ordinary Resolution 5 |
| 7. | To re-appoint Messrs BDO PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modifications, the following Resolutions:-

- | | | |
|----|--------------------------------------|------------------------------|
| 8. | (A) Authority to issue shares | Ordinary Resolution 7 |
|----|--------------------------------------|------------------------------|

"THAT subject always to the Companies Act, 2016, Constitution of the Company and approvals of the relevant governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised and empowered pursuant to Section 75 of the Companies Act, 2016 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares for the time being of the Company and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.

AND THAT the Directors of the Company whether solely or jointly, be authorised to complete and do all such acts and things (including executing such relevant documents) as he/she/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate."

Notice of Twenty First Annual General Meeting

(B) Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 8

“**THAT** approval be and is hereby given to the Company and/or its subsidiary companies to renew the mandate from the shareholders of the Company, for the Company and/or its subsidiary companies to enter into and give effect to Recurrent Related Party Transactions of a revenue or trading nature with specified classes of the Related Parties as stated in Part A of the Circular to Shareholders dated 30 December 2025 (“Circular”) which are necessary for the Group’s day-to-day operations in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company AND THAT, such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Sections 340(1) and 340(2) of the Companies Act, 2016 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier, disclosure will be made in the annual report of the aggregate value on the transactions conducted during the financial year pursuant to the shareholders’ mandate;

AND FURTHER THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to this resolution.”

(C) Proposed Renewal of Authority for Share Buy-Back

Ordinary Resolution 9

“**THAT** subject to the Companies Act, 2016 (“the Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

- (a) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the shares shall not exceed the Company’s latest audited retained profits;
- (c) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

Notice of Twenty First Annual General Meeting

THAT the Directors of the Company be and are hereby authorised to cancel all the shares or any part thereof so purchased or to retain all the shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on Bursa Securities and/or subsequently cancelled), or to retain part of the shares so purchased as treasury shares and cancel the remainder, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

ANY OTHER BUSINESS:

9. To transact any other business for which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act, 2016.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the shareholders’ approval at the Twenty First Annual General Meeting of the Company, the first and final single tier dividend of 1.0 sen per ordinary share for the financial year ended 31 August 2025, if approved, will be payable on 19 March 2026 to Depositors registered in the Record of Depositors at the close of business on 12 March 2026.

A Depositor shall qualify for entitlement only if respect of:

- a. Shares transferred to the Depositor’s Securities Account before 5.00 p.m. on 12 March 2026 in respect of ordinary transfers; and
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD,

CHAN CHEE YEAN (MAICSA 7029178) (SSM PC 201908001286)
WONG YOUN KIM (MAICSA 7018778) (SSM PC 201908000410)
 Company Secretaries

Kuala Lumpur
 30 December 2025

NOTES:

1. A member of the Company entitled to attend and vote at the meeting may appoint up to two (2) proxies (or being a corporate member, a corporate representative) to attend and vote on his/her behalf. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at No. 5, Jalan Titivangsa, 53200 Kuala Lumpur not less than 24 hours before the time appointed for taking of the poll or any adjournment thereof.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 19 February 2026 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Notice of Twenty First Annual General Meeting

7. EXPLANATORY NOTES:-

(a) Item 1 of the Agenda

Audited Financial Statements for financial year ended 31 August 2025

The audited financial statements under Agenda 1 are meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require shareholders' approval. Hence, this Agenda will not be put forward for voting.

(b) Item 8(A) of the Agenda – Ordinary Resolution 7

Authority to issue shares

The proposed Ordinary Resolution 7 if passed, will give the Directors of the Company, from the date of the Twenty First Annual General Meeting, the authority to allot and issue shares of up to 10% of the total number of issued shares of the Company at the time of the issue for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the shareholders of the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting.

The Company did not issue any shares pursuant to Sections 75 and 76 of the Companies Act, 2016 under the general authority which was approved at the Twentieth Annual General Meeting held on 26 February 2025 and which will lapse at the conclusion of the Twenty First Annual General Meeting to be held on 26 February 2026.

A renewal of this authority is being sought at the Twenty First Annual General Meeting to provide flexibility to the Company to undertake future possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investments, working capital and/or acquisitions without having to convene another general meeting.

(c) Item 8(B) of the Agenda – Ordinary Resolution 8

Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature

The proposed Resolution 8 is intended to enable the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations to facilitate transactions in the normal course of business of the Company with the specified classes of related parties, provided that they are carried out on an arms' length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to Part A of the Circular to Shareholders dated 30 December 2025, which is circulated together with this Annual Report for further information.

(d) Item 8(C) of the Agenda – Ordinary Resolution 9

Proposed Renewal of Authority for Share Buy-Back

The proposed Resolution 9 is intended to allow the Company to purchase its own shares up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in the Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to Part B of the Statement to Shareholders dated 30 December 2025, which is circulated together with this Annual Report for further information.

Statement Accompanying the Notice of Annual General Meeting

1. Mr. Yap Wei Sam is standing for re-election at the Twenty First Annual General Meeting of the Company pursuant to Clause 97 of the Constitution of the Company.

The details of the above director is set out in the Board of Directors' Profile as disclosed on page 8 of this Annual Report.

2. Madam Loo Yeok Bee is standing for re-election at the Twenty First Annual General Meeting of the Company pursuant to Clause 97 of the Constitution of the Company.

The details of the above director is set out in the Board of Directors' Profile as disclosed on page 10 of this Annual Report.

3. The details of the above Directors' interest in the securities of the Company are set out in the "Analysis of Shareholders" on page 106 of this Annual Report.

4. The statement relating to the general mandate for authority to issue shares is set out in the Explanatory Notes to the Notice of the Twenty First Annual General Meeting.

Corporate Information

Board of Directors

Tan Sri Dato' Seri Yap Suan Chee
Executive Chairman

Mr Yap Wei Sam
Executive Director

Encik Hidzir Bin Yahya
Independent Non-Executive Director

Mr Clifford Anthony Clement
Senior Independent Non-Executive Director

Madam Loo Yeok Bee
Independent Non-Executive Director

Dato' Mohd Zain Bin Yahya
Independent Non-Executive Director (Resigned w.e.f. 8/11/2024)

AUDIT COMMITTEE

Chairman

Dato' Mohd Zain Bin Yahya
(Resigned w.e.f. 8/11/2024)

Encik Hidzir Bin Yahya
(Appointed w.e.f. 8/11/2024)

Members

Mr Clifford Anthony Clement
Madam Loo Yeok Bee
(Appointed w.e.f. 8/11/2024)

NOMINATION COMMITTEE

Chairman

Dato' Mohd Zain Bin Yahya
(Resigned w.e.f. 8/11/2024)

Encik Hidzir Bin Yahya
(Appointed w.e.f. 8/11/2024)

Members

Mr Clifford Anthony Clement
Madam Loo Yeok Bee
(Appointed w.e.f. 8/11/2024)

REMUNERATION COMMITTEE

Chairman

Encik Hidzir Bin Yahya

Members

Dato' Mohd Zain Bin Yahya
(Resigned w.e.f. 8/11/2024)

Mr Yap Wei Sam
Mr Clifford Anthony Clement
(Appointed w.e.f. 8/11/2024)

COMPANY SECRETARIES

Chan Chee Yean
(MAICSA 7029178)
(SSM PC 201908001286)

Wong Youn Kim
(MAICSA 7018778)
(SSM PC 201908000410)

REGISTERED OFFICE

No. 5, Jalan Titiwangsa
53200 Kuala Lumpur, Malaysia
Tel No : (03) 4022 2177
Fax No : (03) 4022 2024

AUDITORS

BDO PLT (LLP0018825-LCA)
& AF 0206
Chartered Accountants
Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur, Malaysia

SHARE REGISTRAR

Insurban Corporate Services Sdn Bhd
149, Jalan Aminuddin Baki
Taman Tun Dr. Ismail
60000 Kuala Lumpur, Malaysia
Tel No : (03) 7729 5529
Fax No : (03) 7728 5948

PRINCIPAL BANKERS

Malayan Banking Berhad
Alliance Bank Malaysia Berhad
CIMB Bank Berhad

SOLICITORS

B.H. Gan, Nor & Kim
Tea, Kelvin Kang & Company
Kamarudin & Partners

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Name : **MELATI**
Stock Code : **5129**

WEBSITE

www.melatiehsan.com.my



Be with ME

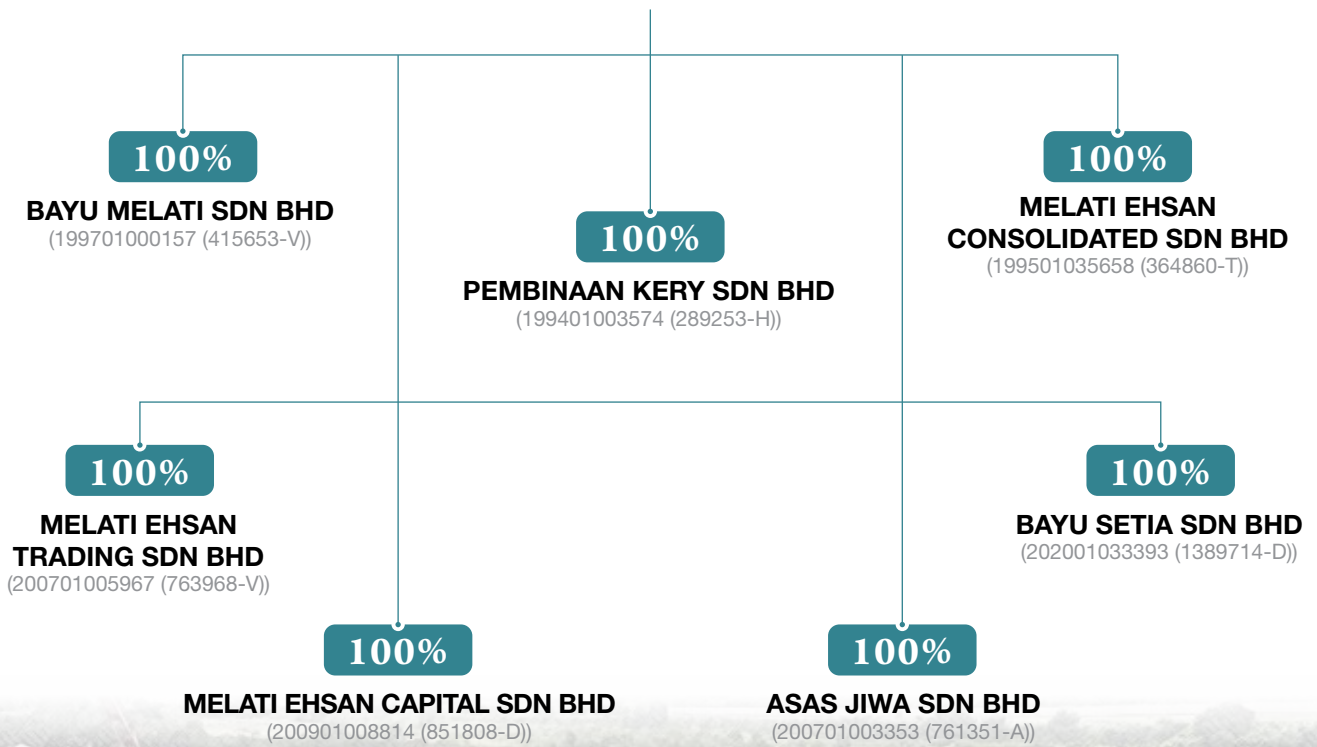
Corporate Structure



Be with ME

Melati Ehsan Holdings Berhad

Company registration No. 200401034784 (673293-X)



Directors' and Key Senior Management Profile

TAN SRI DATO' SERI YAP SUAN CHEE

Executive Chairman & Key Senior Management

 Malaysian  73  Male

Tan Sri Dato' Seri Yap Suan Chee was appointed to the Board of Directors of the Company on 5 January 2007. He was re-designated as the Executive Chairman of the Company with effect from 28 March 2017.

Tan Sri Dato' Seri Yap is the founder of the Melati Ehsan Holdings Berhad Group and has over 40 years of working experience in the construction and property development industry. He has been involved in numerous successful construction projects such as the French Embassy at Kuala Lumpur, Football Association of Selangor's Business Avenue, Trans Eastern Kedah Interland Highway and several residential development schemes in Klang Valley and Johor. Tan Sri Dato' Seri Yap's guidance, foresight, leadership and prudent management has proven to be invaluable in steering the Group to its success to date. He also sits on the Board of some of the subsidiary companies of Melati Ehsan Holdings Berhad and several other private limited companies.

Tan Sri Dato' Seri Yap does not hold any directorship in any other public corporation. Tan Sri Dato' Seri Yap is the father of Mr Yap Wei Sam, an Executive Director of the Company. Puan Sri To' Puan Seri Teng Siew Kean, spouse of Tan Sri Dato' Seri Yap is a substantial shareholder of the Company. Save as disclosed above, Tan Sri Dato' Seri Yap does not have any family relationship with any director and/or substantial shareholder of the Company. He does not have any conflict of interest with the Company other than the recurrent transactions of revenue or trading nature which are necessary for the Company's day-to-day operations. He has no convictions for any offences within the past 5 years.

YAP WEI SAM

Executive Director & Key Senior Management

 Malaysian  30  Male

Mr Yap Wei Sam was appointed to the Board of Directors of the Company on 1 March 2021. He is a member of the Remuneration Committee of the Company.

Mr Yap graduated from the London School of Economics, United Kingdom, in 2018. Shortly after, he began his professional journey with Melati Ehsan Group, taking on responsibilities in business development, corporate affairs, and administration.

Since joining the Group, Mr Yap has played an integral role in a diverse range of construction projects and development initiatives. He has been actively involved in tendering and contract award processes, and has successfully overseen multiple joint ventures that have contributed significantly to the Group's growth.

With a strong focus on strategic business development, Mr Yap brings a new-generation perspective that is vital to the succession planning and long-term vision of Melati Ehsan Group. His innovative approach and forward-thinking mindset continue to drive the Group toward sustained success.

Mr Yap is the son of Tan Sri Dato' Seri Yap Suan Chee, who is the Executive Chairman and Puan Sri To' Puan Seri Teng Siew Kean. Both Tan Sri Dato' Seri Yap and Puan Sri To' Puan Seri Teng are substantial shareholders of the Company. Mr Yap does not hold any directorship in any other public corporation. Save as disclosed herein, he does not have any family relationship with any director and/or substantial shareholder of the Company. He does not have any conflict of interest with the Company other than the recurrent transactions of revenue or trading nature which are necessary for the Company's day-to-day operations. He has no convictions for any offences within the past 5 years.

Directors' and Key Senior Management Profile

CLIFFORD ANTHONY CLEMENT

Senior Independent Non-Executive Director

 Malaysian  AGE 63  Male

Mr Clifford Anthony Clement was appointed to the Board of Directors of the Company on 21 December 2020. He was re-designated as Senior Independent Non-Executive Director of the Company on 8 November 2024. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Mr Clifford has approximately 27 years of banking experience. He graduated from University of Malaya in 1986, with an Honours degree in Bachelor of Accounting, and joined Bank Negara Malaysia (BNM) in September of the same year.

He worked in BNM for 10 years, and in 1996 left BNM to join the private sector. Over the next 20 years he worked in various banks both local and foreign over a wide spectrum of areas, namely Arab Malaysian Merchant Bank Berhad, ABN AMRO Bank Berhad which was subsequently taken over by The Royal Bank of Scotland, Malaysian Building Society Berhad (MBSB) and Bank of America Berhad.

Mr Clifford was the Chief Financial Officer and Chief Operating Officer of ABN AMRO Bank Berhad from 2003 to 2010, Chief Operating Officer of MBSB from 2012 to 2014 where at both organisations, he was in charge of all support and operations functions. His most recent banking experience was as the Chief Financial Officer at Bank of America Berhad from 2016 to 2017. His areas of expertise include treasury and investment operations, heading all operations including offshore and support areas, covering credit operations, retail collection and recovery, property management and IT. During the years in ABN AMRO Bank, Mr Clifford also was the Chief Financial Officer and oversaw the financial functions of ABN AMRO Philippines and ABN AMRO Vietnam.

Mr Clifford is also active in environmental protection and has worked in the Malaysian Nature Society as Executive Director and the Malaysian Conservation Alliance for Tigers (MYCAT) as an Operations and Finance Consultant.

Mr Clifford does not hold any directorship in any other public corporation. He does not have any family relationship with any director and/or substantial shareholder of the Company, neither does he have any conflict of interest with the Company. He has no convictions for any offences within the past 5 years.

HIDZIR BIN YAHYA

Independent Non-Executive Director

 Malaysian  AGE 72  Male

Encik Hidzir Bin Yahya was appointed to the Board of Directors of the Company on 15 October 2020. He is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

Encik Hidzir is a retired senior officer of Bank Negara Malaysia, having served the Bank for 35 years. He retired from the Bank in June 2012. Throughout his 35 years with the Bank, he has served in various departments including Bank Examination Department and Bank Regulation Department. He was involved in enforcing the provision of the Banking and Financial Institution Act, 1989 and other related banking laws under the preview of Bank Negara Malaysia. His area of expertise includes Islamic banking, banking regulation, anti-money laundering laws etc. He has also served as Chief Executive Officer of ERF Sdn Bhd (Tabung Pemulihan Usahawan). During economic crisis 1998 – 2002, he served as the Head of Secretariat for Corporate Debt Restructuring Committee (CDRC). CDRC is one of the agency (beside Danaharta and Danamodal) set up by the Government to revive the Malaysian economy during the crisis.

From 2002 to 2012 he served as Managing Director / CEO of TPPT Sdn. Bhd., a company set up by Bank Negara Malaysia to revive the abandoned housing projects in Malaysia, to build affordable houses and also to manage the fund to build houses for the hard core poor. While at Bank Negara, he has attended many seminars, meetings and conferences in various part of the world such as New York, London, Tokyo, Hong Kong, Middle East countries etc.

Encik Hidzir obtained his LLB (Honours) from Universiti Malaya in 1977. He subsequently chambered with Messrs Zain & Co and was thereafter admitted as an Advocate and Solicitor of the High Court of Malaya in 1982. In 1990, he also successfully completed the Diploma in Shariah Law and Practices from International Islamic University Malaysia. Currently Encik Hidzir practicing as an advocate and solicitor attached to a legal firm.

Encik Hidzir does not hold any directorship in any other public corporation. He does not have any family relationship with any director and/or substantial shareholder of the Company, neither does he have any conflict of interest with the Company. He has no convictions for any offences within the past 5 years.

Directors' and Key Senior Management Profile

LOO YEOK BEE

Independent Non-Executive Director

 Malaysian  64  Female

Madam Loo Yeok Bee was appointed to the Board of Directors of the Company on 1 August 2023. She is the member of the Audit Committee and Nomination Committee of the Company.

Madam Loo obtained her Bachelor of Science from USA. She has approximately 35 years of working experience in the banking industry with Arab Malaysia Finance Bhd and United Overseas Bank Bhd (UOB) promoted from the ranking of Senior Officer to Executive Director and holding senior position in the last 20 years. Prior to join the banking industry, Madam Loo has worked in the property development sector.

Over the past experience in banking industry, Madam Loo was involved in Secure Loans Lending, Project Financing (Bridging Loan) and Secured Products Management. During the years in UOB Malaysia, she has been assigned to set-up the Housing Loan Department, Project Financing Department and End Financing Department for UOB Malaysia. These department activities have grew from small base to over RM50 billion and financing many developments including high rise luxury condominium in Mont Kiara, KLCC area, Cyberjaya, Johor and Penang. Madam Loo has played an important role and successfully completed the migration exercise in the acquisition of Citibank Retails Portfolio by UOB Malaysia and maintained a smooth business-as-usual operations and other strategic initiatives that are crucial in making the transition/migration a great success.

Madam Loo does not hold any directorship in any other public corporation. She does not have any family relationship with any director and/or substantial shareholder of the Company, neither does she has any conflict of interest with the Company. She has no convictions for any offences within the past 5 years.

DATUK IR. LEONG CHEE KIAN

Chief Executive Officer & Key Senior Management

 Malaysian  55  Male

Datuk Ir. Leong Chee Kian was appointed as Chief Executive Officer on 1 March 2021.

Datuk Ir. Leong holds a Bachelor of Engineering (Hons) in Civil Engineering from Universiti Sains Malaysia and is a professional engineer registered with the Board of Engineers of Malaysia. Datuk Ir. Leong is also a member of the Institution of Engineers of Malaysia. He has 28 years of experience in the construction and property industry. Datuk started his career as a design engineer with Berakan Jurutera Perunding Sdn Bhd in 1995. Subsequently, he joined Perunding Sentral as an Associate Director from 2000 - 2004, in-charge of design of projects undertaken by the company. Prior to joining Melati Ehsan Holdings Berhad, Datuk Ir. Leong managed his own consultancy company. Datuk has been actively involved in the design, planning and construction of various commercial, industrial and residential projects.

Datuk Ir. Leong does not hold any directorship in any other public corporation. He does not have any family relationship with any director and/or substantial shareholder of the Company, neither does he have any conflict of interest with the Company. He has no convictions for any offences within the past 5 years.

Directors' and Key Senior Management Profile

LIM TONG HEE

Chief Financial Officer & Key Senior Management

 Malaysian  AGE 51  Male

Mr Lim Tong Hee was appointed as the Chief Financial Officer on 1 March 2021.

He obtained his Bachelor of Accountancy from the University of Glasgow, United Kingdom in 1997. He is a fellow member of the Association of Chartered Certified Accountant and a member of the Malaysian Institute of Accountants. Mr Lim has been with the Group since 2002. He is in charge of the accounting and finance functions of the Group. He began his career as an Executive of performance for management and monitoring with a management consultant firm in 1997. Subsequently, he joined a medium public accounting firm in 1999 as an Audit Associate. He was attached to a well-known public accounting firm as an Audit Senior from 2000 to 2002, in charge of a wide portfolio of clients in diversified industries. His experiences include audit assurance, financial and corporate advisory, due diligence review and as reporting accountants to public listed corporations and private companies. In total, he has more than 20 years' experience in reviewing and managing accounts and financial matters

Mr Lim does not hold any directorship in any other public corporation. He does not have any family relationship with any director and/or substantial shareholder of the Company, neither does he have any conflict of interest with the Company. He has no convictions for any offences within the past 5 years.

DATUK CHEAH JIT PENG

Chief Operating Officer & Key Senior Management

 Malaysian  AGE 60  Male

Datuk Cheah Jit Peng was appointed as Chief Operating Officer on 1 March 2021.

Datuk Cheah obtained his Bachelor in Civil Engineering from Loughborough University of Technology, United Kingdom in 1991 and Master in Business Administration from University of Southern Queensland, Australia. He has over 30 years' experience in both construction and property development with regional working experience which spans across South East Asia and China including working in multinational corporation. Datuk Cheah has successfully completed numerous projects e.g. township development, plant construction, commercial building etc throughout his career. Datuk Cheah is also familiar with various form of contracts and project delivery methods e.g. EPC, EPCM, turnkey and conventional design-bid-built. Before joining Melati Ehsan Group, Datuk Cheah was the General Manager (Construction) for Tan Chong Group involved in land matters, construction and plant expansion across South-East Asia. Prior to this, he was involved in the township development in Rawang, Selangor.

Datuk Cheah does not hold any directorship in any other public corporation. He does not have any family relationship with any director and/or substantial shareholder of the Company, neither does he have any conflict of interest with the Company. He has no convictions for any offences within the past 5 years.

Management Discussion and Analysis



Market Outlook and Prospects

Malaysia's economy remains on a stable footing, supported by resilient domestic demand, sustained global demand for electrical and electronic goods, and a diversified export structure. The expansion of local investment activity is expected to continue, driven by several factors including domestic spending, progress in infrastructure projects, the ongoing realisation of approved private investments, and the implementation of national master plans. Foreign investment flowing into Malaysia is also significantly boosting local demand, particularly in key growth hubs such as Selangor and Johor. This surge in demand is not only pushing property prices higher but prompting substantial improvements in essential infrastructure, including roads and utilities. The establishment of the Malaysia-Singapore Special Economic Zone (JS-SEZ) and the Johor Bahru-Singapore Rapid Transit System (RTS) Link is further accelerating mobility strategies and positioning the region as a centre for high-value industries, thereby promoting the real estate market and contributing to Malaysia's overall economic growth.

While we assess that the local economy remains resilient, external uncertainties could affect domestic prospects. Downside risks may arise from a further escalation of trade tensions, the implementation of protectionist policies, and ongoing geopolitical uncertainties, all of which could drive up global commodity prices, disrupt supply chains and increase import costs. Additionally, uncertainty over tariffs is likely to persist, with the full impact taking time to materialise.

Inflation is expected to stay moderate and remain manageable. Bank Negara Malaysia reduced the overnight policy rate (OPR) to 2.75 per cent in July 2025, the first rate cut in five years, as a pre-emptive measure to buffer our economy against uncertainties and more importantly, aims to support domestic demand and to preserve Malaysia's steady growth path. The policy makers will stay vigilant to developments and assess the balance of risks to domestic growth and inflation.

Management Discussion and Analysis

Government development expenditure has increased consistently in recent years, reflecting the government's ongoing commitment to public infrastructure and economic development. In Budget 2026, government expenditure continues to maintain an upward pace, with a continued focus on basic infrastructure projects that can drive long-term growth and benefit the people, such as roads, electricity/clean energy, affordable housing, and water transformation. As a result, the Malaysian construction sector is well-positioned for growth, driven by these key factors. The cost of construction materials remains relatively stable, providing a more predictable cost environment for contractors, especially with the rollouts of infrastructure projects expected to drive demand in the near term. However, the sector is inherently labour-intensive, and we acknowledge certain downside risks, such as the minimum wage hike to RM1,700 and the mandatory 2% EPF contribution for foreign workers, effective in Q4 2025.

The property sector performed broadly in line with expectations, with developers maintaining their sales targets and anticipating stronger momentum in 2026, driven by upcoming project launches aligned with urbanisation trends and demographic shifts. The residential subsector continues to anchor the market, while the commercial and industrial segments are expected to register moderate growth. We remain optimistic about the sector's outlook, underpinned by resilient demand, lower interest rates, and affordable housing initiatives introduced under Budget 2026. The recent OPR cut is expected to enhance loan affordability for homebuyers and support growth in loan applications. However, rising living costs have led to growing concerns, as consumers adopt a more cautious approach to discretionary spending beyond essential goods and services.

Operating and Business Overview

2025 was a busy year for Melati Ehsan. The Group besides focusing on the development scheme Bayu Selayang Heights, also secured construction jobs and plans to launch a few more development projects in 2026. These projects will provide a strong, steady income stream for the Group in the next few years.

The first phase of Bayu Selayang Heights was launched in the 3rd quarter of 2024. The first phase consisting of 2 blocks with 825 units of mid-range products and 165 units under the affordable housing scheme under the purview of Lembaga Perumahan Hartanah Selangor. Bayu Selayang Heights is crafted to provide buyers with the fundamental ingredients for quality living. Bayu Selayang Heights is seamlessly connected to major highway networks and was designed to encompass the concept of multigenerational living. Carefully designed for our targeted homebuyers, Bayu Selayang Heights is a testament of our commitment to providing quality homes to our customers. The construction works are progressing as planned with the podium and building structure 35% completed. The project has also received positive support for end financing for our customers from our panel of banks. Thus far, Bayu Selayang Heights has had a take up rate of 71% as of November 2025 (based on S&P signed and units reserved), a favourable take-up-rate in line with management's expectations.

The second phase of Bayu Selayang Heights is planned for launch in the first half of 2026, subject to market sentiment and buyer response. We will also regularly review the product mix of each phase, allowing us to respond to market trends and meet buyers' needs.

The Group upcoming development project is the proposed mixed development known as ME City in Kelana Jaya, Petaling, Selangor. Bayu Melati Sdn Bhd (a wholly owned subsidiary of the Company) is undertaking the development on a turnkey basis covering design, planning, construction, sales and marketing. The project sits on a piece of commercial land measuring approximately 20 acres in SS 8, Petaling Jaya. ME City comprises of affordable to mid-range residential units with some shops and commercial lots to serve the needs of the households and other consumers within the vicinity. This is an integrated development with a strategic location in Petaling Jaya, nestled between Kuala Lumpur and Shah Alam and lying adjacent to the Federal Highway and Lebuhraya Puchong-Damansara (LDP). The Sales gallery is completed with show units ready. Piling works are in progress for Phase 1 which consists of a total of 1,155 units.



PIPBJ, Gerbang Nusajaya, Iskandar Puteri, Johor Bahru, Johor

Management Discussion and Analysis

Operating and Business Overview (continued)

The construction works for 2,560 units of single story landed houses and 44 units of medium cost shops in Gerbang Nusajaya, Iskandar Puteri are progressing well. The development, aptly named Perumahan Iskandar Puteri Bangsa Johor (PIPBJ), is situated on 246 acres of land and is affordably priced for the B40 demographic of citizens born in the state of Johor (Bangsa Johor) only. PIPBJ is jointly developed alongside the Johor state housing board, PKPJ (Perbadanan Kemajuan Perumahan Negeri Johor) and KPRJ Jauhar Sdn Bhd (a company wholly owned by the State Government of Johor). PIPBJ will be developed in 3 phases and is adopting the Industrial Building Systems (IBS) construction method. IBS is a construction technique in which components are manufactured in a controlled environment (on or off site), transported, positioned and assembled into a structure with minimal site works. Construction using IBS has the advantages such as lesser dependence on labour, more consistent and higher quality of finishes, better site management and shorter construction periods. Construction works for Phase 1 and Phase 2 has reached 72% and 32% respectively. The project received an overwhelming response from buyers and Phases 1 and 2 have been sold out.

The contract for the construction and completion of the proposed development in Kota Kemuning, Shah Alam, comprising a 17-storey block with 260 condominium units, a 7-storey car park podium and other facilities known as Bayu 2Sixty is progressing on track. As of November 2025, the car park podium has been fully completed, while the superstructure of the residential block has reached Level 15. Mechanical and engineering works are progressing with approximately 10% of the works completed to date.

Pembinaan Kery Sdn Bhd (a wholly owned subsidiary of the Company), has also secured a contract for the construction of a 10-storey office building to serve as the new State headquarters of Tenaga Nasional Berhad (TNB), located at Muara Selatan KTCC, Bandar Kuala Terengganu, Terengganu Darul Iman. The scope of work includes civil and structural, infrastructure, architectural, mechanical, electrical and plumbing works. Site possession has been granted by TNB, and construction works commenced in June 2025. This will be the first Green Building Index (GBI) Gold status building in Terengganu.



Bayu 2Sixty Kemuning Prima, Shah Alam, Selangor

Review of Financial Results

For the financial year ended 31 August 2025, the Group recorded an aggregate revenue of RM152.287 million as compared to RM36.264 million in the previous financial year. This represents an increase of 320%. The higher revenue was contributed by our projects Bayu Selayang Heights, PIPBJ and Bayu 2Sixty. However, the Group posted a profit before tax of RM2.878 million compared to RM10.154 million for the preceding year. The decrease in the Group's profit before tax in the current financial year despite the increase in revenue, was mainly due to higher other income recognized in the preceding year. In addition, higher administrative expenses and finance costs incurred during the year also affected the current year's performance.

Notwithstanding the lower profit for the year, the Group maintained a healthy financial position, with borrowings reduced by approximately 25% due to redemption and the progress of development schemes. The net assets per share stood at RM2.18, the same as in the previous financial year.

During the year, the construction and property divisions contributed 75.40% and 24.13% to the Group's revenue. The construction segment contributed higher revenue and profit before tax due to active construction activities on site of the PIPBJ and Bayu 2Sixty projects. The trading division provides a supporting role to complement the Group's construction and property development operations and as such does not constitute one of the company's major revenue earners.

Dividend

Based upon the Group's operating results, the Board recommends a first and final single tier dividend of 1.0 sen per ordinary share (2024: single tier dividend of 1.0 sen per ordinary share) in respect of the financial year ended 31 August 2025. The dividend recommended is appropriate after taking into consideration the Group's current year's performance, cash flow requirements and to capitalise on any sound investment opportunities in the coming years.

Acknowledgements

On behalf of the Board of Directors, I would like to take this opportunity to extend our heartfelt gratitude to all our valued shareholders, customers, government authorities and business associates for your continuing support and trust in Melati Ehsan.

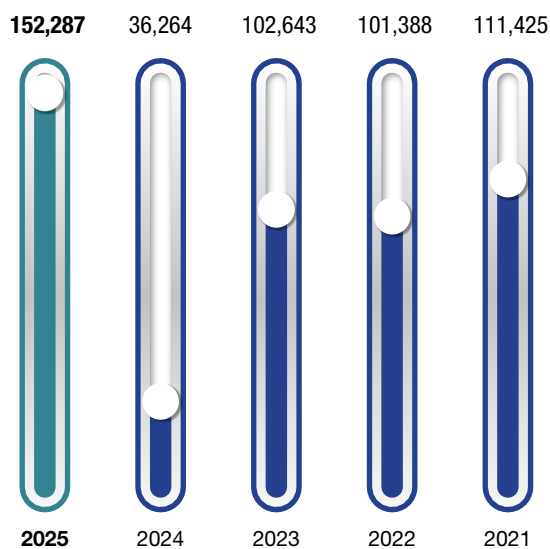
My sincere appreciation also goes to the Management and staff at all levels for your invaluable contribution and commitment to strengthen our Group's footing in the construction and property development industry.

To my fellow Board members, I sincerely thank you for your wise counsel and guidance extended and given to me throughout the year.

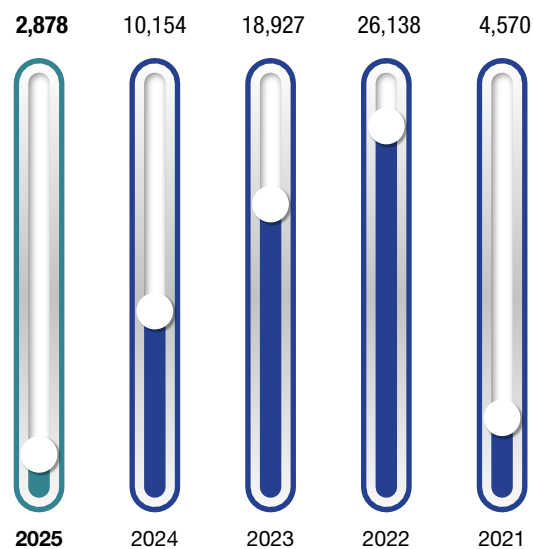
TAN SRI DATO' SERI YAP SUAN CHEE
Executive Chairman

Group Financial Review

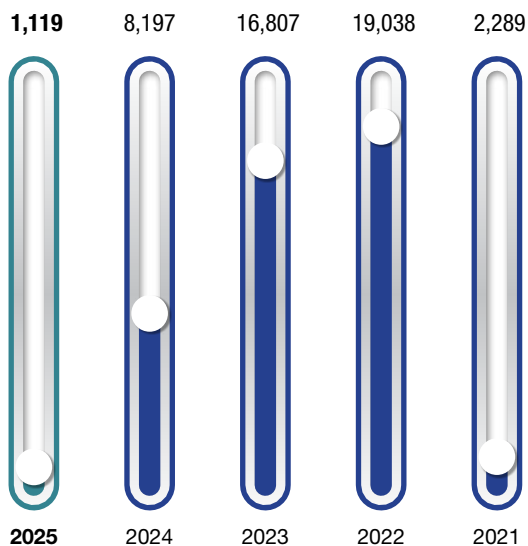
REVENUE (RM'000)



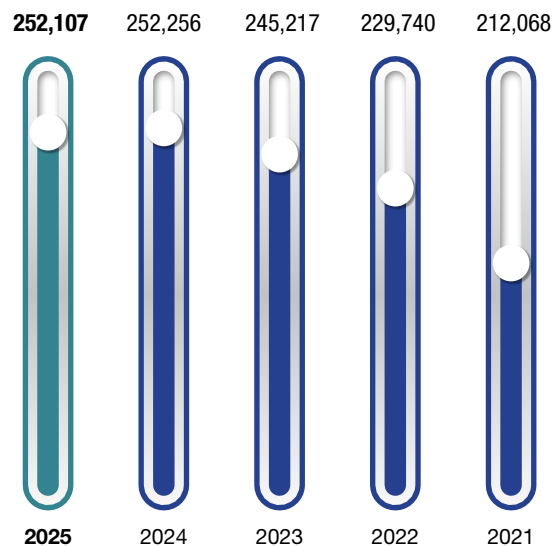
PROFIT BEFORE TAX (RM'000)



PROFIT AFTER TAX (RM'000)



NET TANGIBLE ASSETS (RM'000)



	31-Aug-21	31-Aug-22	31-Aug-23	31-Aug-24	31-Aug-25
Group	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	111,425	101,388	102,643	36,264	152,287
Profit Before Tax	4,570	26,138	18,927	10,154	2,878
Income Tax Expense	2,281	7,100	2,120	1,957	1,759
Profit After Tax	2,289	19,038	16,807	8,197	1,119
Net Tangible Assets	212,068	229,740	245,217	252,256	252,107

Sustainability Statement

ABOUT THIS STATEMENT

The Board of Directors presents Melati Ehsan Holdings Berhad's ("Melati" or the "Group") Sustainability Statement for the financial year 2025 ("FY2025"). This Statement outlines the Group's Environmental, Social, and Governance ("sustainability") performance and developments during the financial year, in line with the United Nations' definition of sustainable development.

In FY2025, the Group continued its efforts to manage environmental aspects, including resource use and waste, to maintain workplace health and safety, to support employees, and to engage with local communities. Compliance with relevant laws and regulations remained a key focus across our operations.

During the financial year, the Group also conducted a materiality assessment, including a dedicated stakeholder engagement, to identify the sustainability matters most relevant to our stakeholders and business activities. The results of this assessment, including the sustainability matrix, are presented in the Our Sustainability Strategy section of this Statement.

Looking ahead, the Group will assess and monitor the impact of sustainability factors on its business activities and set targeted objectives to address material matters, in alignment with Bursa Malaysia's latest disclosure requirements, which reflect the National Sustainability Reporting Framework issued by the Securities Commission Malaysia based on the IFRS Sustainability Disclosure Standards (IFRS S1 and S2).

Sustainability Statement



Reporting Scope

The scope of this Statement includes the Group’s primary operations in the construction and property development sectors listed below and activities at the head office, unless indicated otherwise.

- Bayu Melati Sdn Bhd
- Pembinaan Kery Sdn Bhd



Reporting Framework

This Statement is prepared in accordance with Bursa Malaysia’s (“Bursa”) Main Market Listing Requirements in Paragraph 4.1(a) of Practice Note 9A and guided by Bursa’s Sustainability Reporting Guide (3rd Edition).



Reporting Period

This Statement covers the reporting period from 1 September 2024 to 31 August 2025 (“FY2025”).



Statement of Assurance

This Statement has been subject to internal management review. The Board will evaluate the need for independent external assurance in future reporting periods.

OUR SUSTAINABILITY STRATEGY

Sustainability at Melati is guided by a structured approach that includes governance oversight, stakeholder engagement, and the identification of material sustainability matters. These elements form the foundation of our reporting and ongoing efforts to address sustainability considerations. In FY2025, we enhanced this framework by completing a materiality assessment, the results of which are presented in this section, including a new sustainability matrix.

In line with Bursa’s latest disclosure requirements and the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), the Group plans to commence a sustainability-related risk and opportunity assessment by the end of FY2026. This will provide the basis for developing meaningful targets as data coverage matures in future reporting cycles.



Undian Terbuka, PIPBJ, Gerbang Nusajaya, Iskandar Puteri, Johor Bahru, Johor

Sustainability Statement

OUR SUSTAINABILITY STRATEGY (CONTINUED)

Sustainability Governance

Business activities are conducted in accordance with applicable environmental, social, and governance regulations and standards. A governance framework has been established to define the roles and responsibilities of the Board of Directors (“Board”), the Executive, Risk Management and Sustainability Committee (“ERMSC”), and Management in overseeing and implementing the Group’s sustainability approach. This framework provides accountability, supports effective oversight, and ensures transparent reporting to stakeholders.

BOARD

- Establishing and overseeing the Group’s sustainability framework.
- Approving sustainability goals, initiatives, and budgets to align with the Group’s mission and shareholder expectations.
- Reviewing and approving sustainability disclosures and reports, and considering assurance results for improvements.

ERMSC

- Supporting the Board in managing the Group’s sustainability matters.
- Overseeing the identification and management of material sustainability risks and opportunities, and ensuring adequate resource allocation.
- Recommending sustainability policies and initiatives for Board approval, and monitoring their implementation.
- Managing stakeholder engagement and overseeing the preparation of sustainability disclosures and reports.

MANAGEMENT

- Aligning sustainability priorities with operational strategies and identifying initiatives and resources to support their implementation.
- Assessing the feasibility and impact of sustainability projects and communicating progress to stakeholders.
- Coordinating with external verification providers, monitoring ongoing initiatives, and reporting outcomes to the ERMSC.

General Stakeholder Engagement

The Group’s key stakeholders include shareholders, employees, business partners, community members, industry associations, property buyers, and regulators. Given the diversity of these groups, their expectations and areas of interest in sustainability can vary significantly.

To align sustainability efforts with both stakeholder expectations and business objectives, the Board and ERMSC engage key stakeholders to gather feedback on their views, needs, and concerns regarding sustainability and its impacts. Engagement is carried out through general sessions addressing wider business matters, as well as dedicated sessions conducted as part of the materiality assessment exercise. The latter aims to identify and prioritise sustainability matters most relevant to the Group and its stakeholders.

Sustainability Statement

OUR SUSTAINABILITY STRATEGY (CONTINUED)

General Stakeholder Engagement (continued)

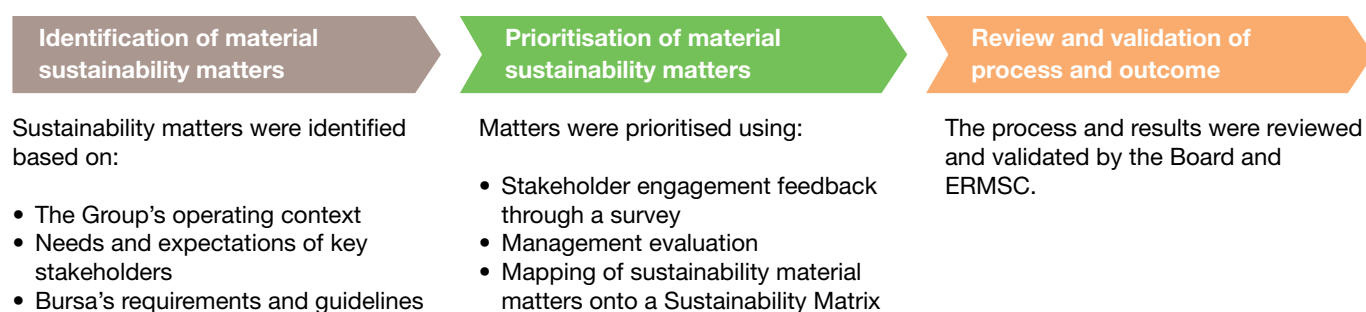
The following table summarises the expectations and concerns expressed by key stakeholders through ongoing engagement activities.

Key Stakeholders	Engagement Approaches	Concerned Areas
Shareholders / Investors	Annually <ul style="list-style-type: none"> Annual general meetings 	<ul style="list-style-type: none"> Impact of government policies and regulations Business strategies Order book Financial performance and growth Corporate governance and risk management
Regulatory Bodies / Government	Ongoing <ul style="list-style-type: none"> Periodic reporting and monitoring As needed <ul style="list-style-type: none"> Local authority visits Compliance and certification 	<ul style="list-style-type: none"> Certification Compliance with the law on environmental and social aspects
Clients / Customers	Ongoing <ul style="list-style-type: none"> Company's website As needed <ul style="list-style-type: none"> Site inspections Weekly <ul style="list-style-type: none"> Project meetings, quality control and audit at sites 	<ul style="list-style-type: none"> Compliance with Health, Safety and Environment ("HSE") policies and requirements Quality of work and services On-time delivery
Employees	As needed <ul style="list-style-type: none"> On-boarding induction Weekly <ul style="list-style-type: none"> Health and safety briefing Meetings and internal communications 	<ul style="list-style-type: none"> Remuneration and rewards Career development Health, safety and well-being Training and development
Subcontractors and Suppliers	Ongoing <ul style="list-style-type: none"> Site meeting and discussion Tender and bidding processes Participation in HSE Committee meetings Annually <ul style="list-style-type: none"> Subcontractor and supplier performance evaluation 	<ul style="list-style-type: none"> Legal compliance and contractual commitments HSE practices and compliance Fair and transparent tender
Local Communities	Ongoing <ul style="list-style-type: none"> Volunteering programmes Participation in community services 	<ul style="list-style-type: none"> Sustainable development and project impact Corporate Social Responsibilities

Materiality Assessment

Material sustainability matters are central to ensuring that the Group addresses the issues most relevant to both our stakeholders and our business operations. In FY2025, the Group completed a materiality assessment to identify, prioritise, and validate sustainability matters in line with Bursa's Sustainability Reporting Guide. The process involved engaging key stakeholders through a dedicated survey, alongside internal assessments of business relevance.

The assessment followed a three-phase approach:

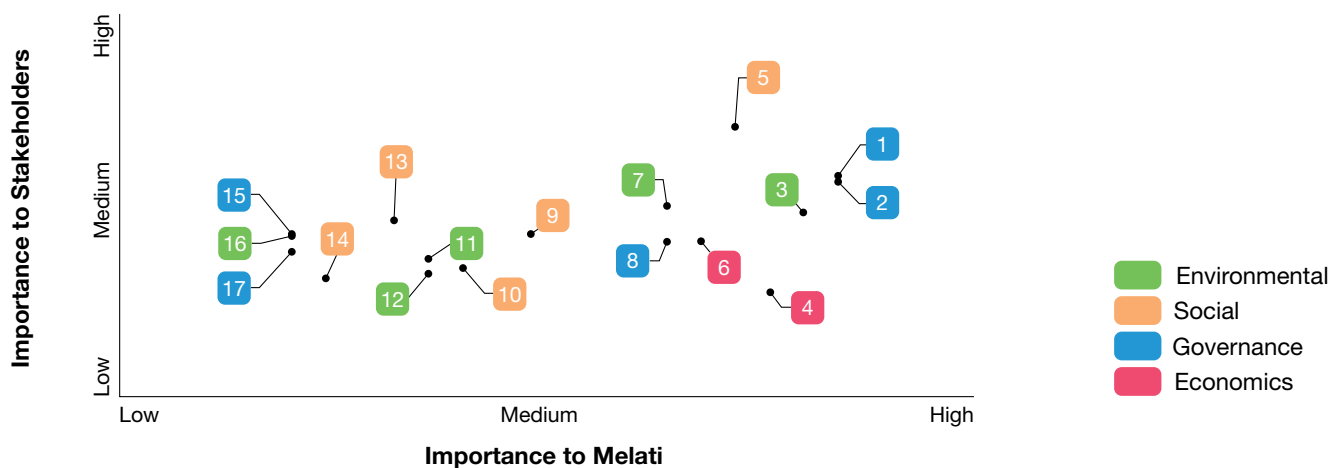


Sustainability Statement

OUR SUSTAINABILITY STRATEGY (CONTINUED)

Materiality Assessment (continued)

The assessment identified seventeen (17) sustainability matters relevant to the Group. The results are illustrated in the following matrix. Each number in the matrix corresponds to a sustainability matter from the list below, arranged in order of priority from high to low. The matters are also colour-coded by category.



High-Priority

1	Regulatory and Legal Compliance
2	Ethical Business Conduct and Anti-corruption and Bribery
3	Sustainable Construction
4	Financial and Operational Performance
5	Health and Safety

Medium-Priority

6	Supply Chain Management
7	Waste
8	Risk Management
9	Labour Practices and Standards

Low-Priority

10	Diversity
11	Emissions
12	Energy
13	Community Engagement
14	Charity and Philanthropy
15	Data Privacy and Security
16	Water
17	Assurance

This Statement continues to address the eleven (11) sustainability matters reported in FY2024, most of which align with Bursa’s common sustainability indicators, under the themes of Environmental Stewardship, Social Responsibility, and Governance Practices. In FY2025, these matters have been sequenced according to the results of the materiality assessment, with emphasis on those assessed as high- and medium-priority. One of the high-priority matters, “Regulatory and Legal Compliance”, is addressed in the respective sustainability matters approach and performance, where relevant, while “Financial and Operational Performance” is disclosed in the *Management Discussion and Analysis* section of our Annual Report. Performance data included in this Statement has been collected on a best-effort basis, with improvements expected as systems and processes mature.

Environmental Stewardship

- Sustainable Construction
- Waste
- Energy and Emissions
- Water

Social Responsibility

- Health and Safety
- Labour Practices and Standards
- Diversity
- Corporate Social Responsibility¹

Governance Practices

- Ethical Business Conduct and Anti-Corruption and Bribery
- Supply Chain Management
- Data Privacy and Security

Note:

1. Covers “Community Engagement” and “Charity and Philanthropy” identified in the materiality assessment.

Sustainability Statement

OUR APPROACH AND PERFORMANCE

►► Sustainable Construction

The Group applies the Industrialised Building System (IBS) across its construction projects, such as the Perumahan Iskandar Puteri Bangsa Johor (PIPBJ), to enhance sustainability and operational efficiency. The system minimises material waste and reliance on manual labour, while improving build quality and accelerating project delivery. By reducing construction costs, IBS also supports national objectives for affordable housing.

In addition to IBS, the Group has implemented various sustainability measures in its construction projects, including:

Environmental Stewardship

Benefits of IBS:

- ✓ Reduced material waste
- ✓ Minimised labour dependency
- ✓ Improved quality consistency
- ✓ Shortened construction periods
- ✓ Lower overall construction costs
- ✓ Alignment with National Affordable Housing Goals

 <p>Adoption of ecological practices at construction sites, including the use of reusable system formwork for high-rise slab construction to minimise material waste and improve construction efficiency.</p>	 <p>Design and planning of projects in accordance with Green Building Initiatives to achieve energy and water efficiency goals.</p>	 <p>Compliance with the Manual Saliran Mesra Alam (MSMA) to effectively manage stormwater runoff and mitigate pollution in surrounding areas.</p>
 <p>Use of low volatile organic compound (VOC) paints and coatings for all interior surfaces to minimise harmful chemical emissions during the painting process.</p>	 <p>Provision of recycling bins at construction sites and within buildings to enhance waste management.</p>	 <p>Utilisation of recycled materials and regional products, along with recycled water for landscaping purposes.</p>
 <p>Installation of low-E glazing windows and insulated reinforced concrete flat roofs to maintain consistent building temperatures.</p>	 <p>Implementation of submetering for power and water consumption, automated lighting controls, carbon dioxide sensors, a rainwater harvesting system, water-efficient fixtures, regenerative lifts, and renewable energy sourced from photovoltaic (PV) panels.</p>	 <p>Development of an Environmental Management Plan to monitor and reduce pollution during construction, ensuring compliance with regulatory standards.</p>

During FY2025, our construction operations complied with the Environmental Quality Act 1974 and recorded no cases of violation.

Sustainability Statement

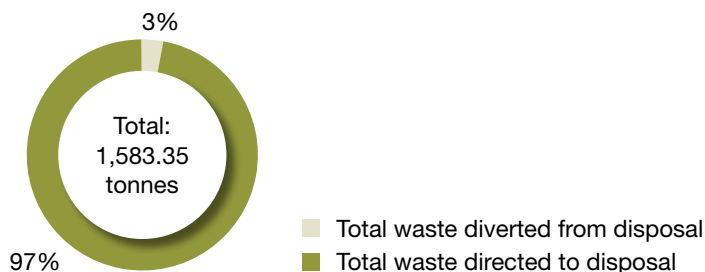
Waste

Environmental Stewardship

Waste management remains a key focus area for the Group in strengthening our environmental performance. We emphasise efficient use of materials and responsible handling of construction waste through sustainable building practices. The adoption of the IBS supports these efforts by reducing material offcuts, lowering labour requirements, and enhancing overall construction quality. In addition, system formwork is adopted for its reusability and sustainability benefits, alongside faster assembly lead times that further reduce site waste and improve operational efficiency. To further manage site impacts, Environmental Management Plans are implemented to monitor waste and pollution, while recycling bins placed at project sites and buildings encourage proper waste segregation.

During FY2025, the Group commenced formal waste data reporting as part of its sustainability monitoring. A total of 1,583.35 tonnes of waste was generated across operations, primarily from construction activities, with smaller volumes of domestic waste. The data covers project sites and does not include office waste from our head office. Of the total waste generated, 54.20 tonnes were diverted from disposal through the recycling of steel waste.

Breakdown of Waste Generated (tonnes) in FY2025



Energy and Emissions

Environmental Stewardship

Managing energy consumption and emissions is an important part of the Group's environmental responsibility and operational efficiency. We continue to focus on improving energy performance through efficiency measures, responsible fuel use, and, where feasible, exploring renewable energy options in our construction and property development operations. Energy-efficient measures are implemented across project sites, and consumption is regularly monitored to identify areas for improvement.

We report on our electricity consumption, petrol use from company-owned vehicles, and diesel use at construction and property development sites, covering Scope 1 and Scope 2 emissions, as well as Scope 3 emissions related to employee commuting. Business travel by land, which was included under Scope 3 in FY2024, was not reported for FY2025 because it accounted for less than 1% of total Scope 3 emissions measured.

In FY2025, the Group's total energy consumption was 2,672.10 MWh (equivalent to 9,619.56 GJ), a 61% decrease from FY2024, mainly due to changes in project activity and energy use patterns. Diesel consumption decreased by approximately 67%, while electricity consumption at project sites increased by about 95% as construction activities progressed into more electricity-dependent phases. The proportion of energy consumption at the Group's headquarters also increased, reflecting higher operational intensity and office utilisation during the financial year. A detailed breakdown of energy consumption by source and emissions by Scope, together with charts showing energy usage by location, are presented below.

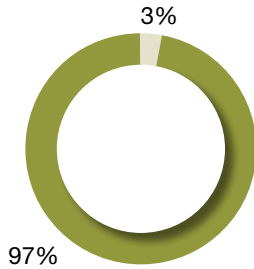
		FY2025	FY2024	FY2023
Energy consumption (GJ)	Petrol ¹	572.01	517.79	-
	Diesel ¹	7,531.92	22,968.56	-
	Electricity	1,515.62	913.76	246.88
Carbon dioxide-equivalent missions (tCO ₂ e)	Scope 1 (petrol and diesel) ^{1,2,3}	595.83	1,729.65	-
	Scope 2 (electricity) ^{1,4}	325.86	192.40	-
	Scope 3 (business travel and employee commuting) ^{1,3,5,6}	59.03	57.47	-

Sustainability Statement

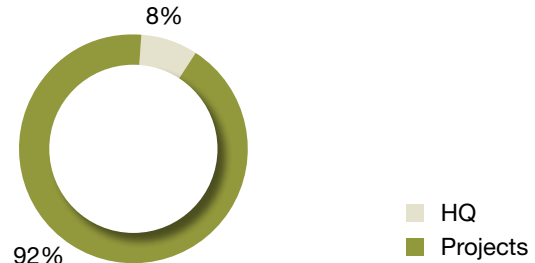
Energy and Emissions (continued)

Environmental Stewardship

Energy Usage by Location in FY2024



Energy Usage by Location in FY2025



Notes:

1. New indicators in FY2024, hence FY2023 data unavailable for comparison.
2. Scope 1 emissions are derived from petrol used for our company-owned vehicles and diesel used for our project sites.
3. Scope 1 and Scope 3 emission factors are sourced from the UK Government GHG Conversion Factors for Company Reporting Version 1.0 (2024) and UK Government GHG Conversion Factors for Company Reporting Version 1.0 (2025) for the respective years, published by the UK Department for Environment, Food & Rural Affairs (“DEFRA”).
4. Scope 2 emissions are derived from our electricity consumption with the emission factor sourced from MY Energy Commission 2021 and 2022 Grid Emission Factor (“GEF”) in Malaysia, for the respective years.
5. Scope 3 emissions are derived from business travel and employee commuting based on the methodology provided in Technical Guidance for Calculating Scope 3 Emissions (version 1.0), published by GHG Protocol.
6. Scope 3 emissions for FY2025 only include employee commuting.

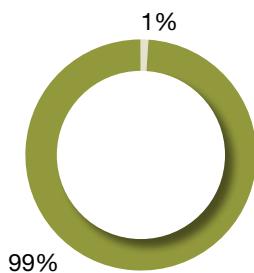
Water

Environmental Stewardship

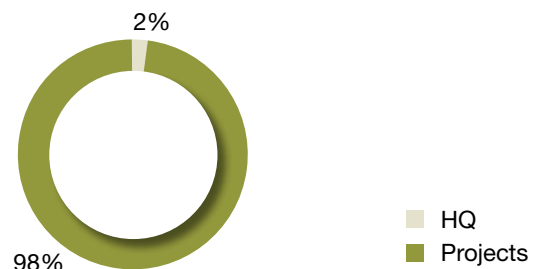
Water management remains an important focus area in supporting the Group’s sustainability goals and improving operational efficiency. Through our sustainable construction practices, we aim to reduce water use and promote efficient resource management. Key measures include project designs aligned with Green Building Initiatives, compliance with the Manual Saliran Mesra Alam (MSMA) for stormwater management, and the use of recycled water for landscaping. Our projects also incorporate rainwater harvesting systems, water-efficient fixtures, and Environmental Management Plans to monitor and minimise pollution during construction.

In FY2025, the Group’s total water consumption was 42.02 megaliters (ML), representing an increase of approximately 12% from 37.54 ML in FY2024. Consumption at our headquarters rose by 51%, while project sites recorded an 11% increase due to higher project activities. The increase at headquarters was primarily driven by longer operational hours in response to increased project activity.

Water Usage by Location in FY2024



Water Usage by Location in FY2025



	FY2025	FY2024	FY2023
Water consumption (ML)	42.02	37.54	0.535

Sustainability Statement

Health and Safety

Social Responsibility

Health and safety are key priorities for the Group, ensuring a safe and secure work environment for all employees and workers. Recognising the higher risks associated with the construction industry, we place strong emphasis on preventive measures and compliance with occupational safety and health regulations. Our main contractors are required to implement comprehensive safety practices at all project sites, including induction programmes for new workers, regular safety meetings, clear on-site signage, and the provision of appropriate personal protective equipment. Routine inspections are also conducted to ensure adherence to safety standards and regulatory requirements.

The Group's health and safety performance for FY2025 is summarised in the following table. During the year, no fatalities or lost-time incidents were recorded from the Group's ongoing construction projects, reflecting continued improvements in safety performance. As in FY2024, the health and safety training data covers employees within the reporting scope, while performance data reflects the Group's active project sites. A total of 2 employees received health and safety training during the year to strengthen awareness and safe work practices across the organisation.

	FY2025	FY2024	FY2023
Number of work-related fatalities	0	0	0
Lost time incident rate ¹	0	0.39	0
Number of employees trained on health and safety standards	2	2	34

Note:

1. Lost time incident rate ("LTIR") = (Number of lost time injuries in the reporting period/Total number of hours worked in the reporting period) * 200,000.

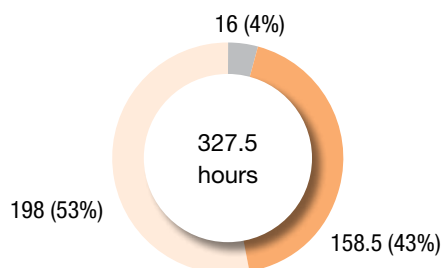
Labour Practices and Standards

Social Responsibility

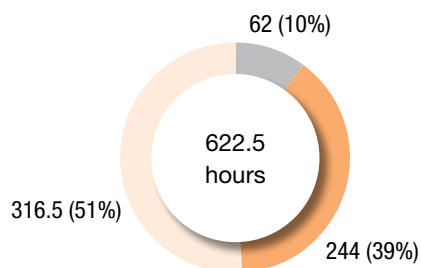
Our employees are central to the Group's success, and we continue to strengthen our efforts to provide a fair, engaging, and supportive workplace. Employment practices are guided by merit, transparency, and equal opportunity, while remuneration and benefits are reviewed regularly to remain competitive with industry standards. We also encourage open conversations on career progression to help employees prepare for expanded roles and responsibilities. In addition, the Group organises activities such as annual dinners and birthday gatherings to maintain a positive working environment and encourage interaction among employees.

Developing talent through continuous learning is an integral part of our culture. In FY2025, employees completed 622.5 hours of training, compared to 327.5 hours in FY2024, reflecting an increased focus on employee development and awareness. The higher training hours demonstrate wider participation across management and executive levels, particularly in areas related to skills enhancement and updates on regulations and industry standards. A breakdown of training hours by employee category is shown below.

Training Hours by Category in FY2024



Training Hours by Category in FY2025



■ Key Senior Management
■ Middle Management
■ Executive

Sustainability Statement

Labour Practices and Standards (continued)

Social Responsibility

The Group recorded no employee turnover or human rights complaints during FY2025. Contract-based staff accounted for 5% of the total workforce, compared to 2% in FY2024. The following table presents a comparison of the Group’s labour practices performance for FY2024 and FY2025.

	FY2025	FY2024
Number of employee turnover by category	Key senior management	0
	Middle management	0
	Executive	2
	Non-executive	2
Percentage of contract-based employees	5%	2%
Number of substantiated complaints concerning human rights violations	0	0

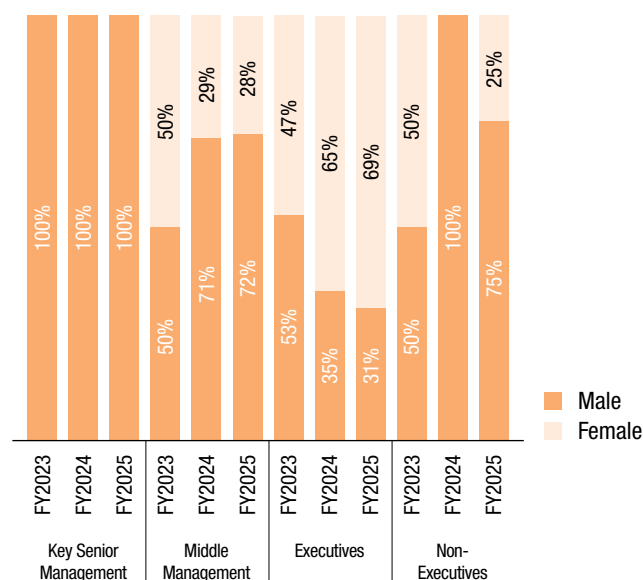
Diversity

Social Responsibility

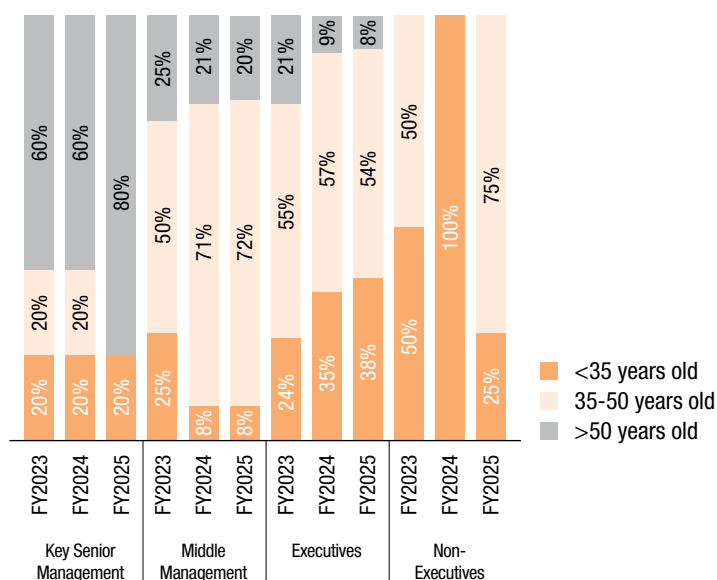
We continue to uphold diversity and inclusion as fundamental aspects of our workplace culture. We value the range of perspectives, experiences, and ideas that a diverse team brings, which strengthens collaboration and innovation across our operations. Our recruitment and employee practices remain guided by principles of fairness and equal opportunity, ensuring that all candidates are considered based on merit without discrimination.

As of FY2025, the Group’s workforce has grown to 60 employees, compared to 54 in the previous year. The workforce composition by gender and age group is illustrated in the following charts.

Workforce Profile by Gender



Workforce Profile by Age



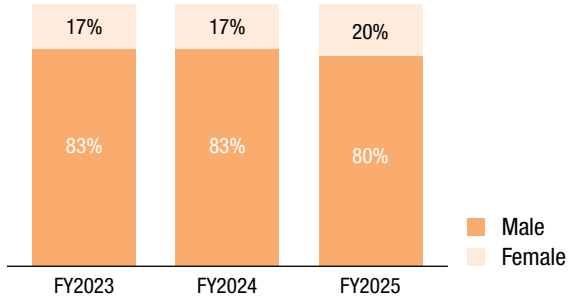
Sustainability Statement

►► Diversity (continued)

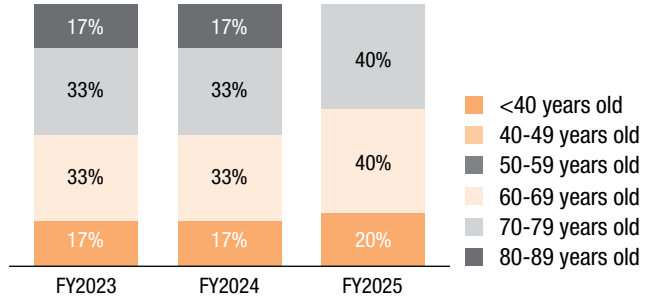
Social Responsibility

The Group's Board of Directors comprises five (5) members in FY2025, following the resignation of one director during the financial year. The gender and age profiles of the Board are illustrated in the following charts.

Director Profile by Gender



Director Profile by Age



►► Corporate Social Responsibility ("CSR")

Social Responsibility

The Group contributes to the well-being of the communities where we operate through various CSR initiatives. With the active participation of our employees, these activities help foster community spirit and strengthen relationships with local stakeholders. Our efforts are focused on addressing regional needs and promoting values of care, collaboration, and inclusiveness.

In FY2025, the Group supported several community programmes and organisations, including schools, charitable associations, and local welfare bodies such as:

- Pusat Jagaan Rumah K.I.D.S., Subang Jaya
- Majlis Sukan Negeri Johor
- Lion Club of Kuala Lumpur (Host)

Details of the Group's total contributions are summarised in the table below.

	FY2025	FY2024
Total amount invested in the community	RM 1,005,000	RM 230,000
Total number of beneficiaries ¹	3	5

Note:

1. Disclosed as the number of community entities.



Corporate Social Responsibility



Sustainability Statement

Ethical Business Conduct and Anti-Corruption and Bribery

Governance Practices

Ethical business conduct and strong governance are central to the Group's operations. The Corporate Code of Conduct and Ethics, Anti-Corruption Measures, and Whistleblower Policy set clear expectations for integrity and accountability among employees and business partners. These policies address issues such as conflicts of interest, abuse of power, corruption, bribery, insider trading, and money laundering, and outline procedures for reporting and investigating suspected violations.

In FY2025, no incidents of corruption or non-compliance were reported. A comprehensive corruption risk assessment was completed for all departments to identify potential exposure areas and strengthen preventive controls. Our new employees received anti-corruption briefings during orientation, ensuring awareness of the Group's zero-tolerance approach, while existing employees had previously completed anti-corruption training in FY2023. The Group's anti-corruption performance for the year is presented in the following table.

		FY2025	FY2024	FY2023
Percentage of employees who have received training on anti-corruption by employee category	Key senior management	100%	100%	100%
	Middle management	100%	100%	100%
	Executive	100%	100%	100%
	Non-executive	100%	100%	100%
Percentage of operations assessed for corruption-related risks ¹		100%	100%	-
Confirmed incidents of corruption and action taken		0	0	0

Note:

1. New indicator in FY2024, hence FY2023 data unavailable for comparison.

Supply Chain Management

Governance Practices

The Group's supply chain practices are built on trust and collaboration with our business partners. We work closely with local suppliers to ensure reliable delivery, fair value, and shared growth. Sourcing from within Malaysia also supports local businesses, keeps costs efficient, and helps lower our environmental footprint.

In FY2025, all procurement spending was channelled to local suppliers, as in previous years. This reflects our steady focus on strengthening local supply networks and contributing to the domestic economy through our day-to-day operations.

	FY2025	FY2024	FY2023
Proportion of spending on local suppliers	100%	100%	100%

Data Privacy and Security

Governance Practices

The Group recognises the importance of protecting data belonging to our shareholders, property purchasers, employees, clients, and business partners. Safeguarding sensitive information remains a key responsibility across our operations. Our cloud-based Keypoints system supports the digitalisation of property development activities and is equipped with SSL encryption, firewall protection, and antivirus software to secure data and maintain system integrity.

In FY2025, the Group recorded no substantiated complaints or incidents involving data breaches or privacy violations, maintaining our strong track record in data protection.

	FY2025	FY2024	FY2023
Number of substantiated complaints concerning breaches of customer privacy and losses of data	0	0	0

Sustainability Statement

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Melati Ehsan Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Energy Management	Bursa C4(a) Total energy consumption	MegaWatt-hour	2,67210	—	No assurance
Emissions Management	Bursa C11(a) Scope 1 emissions in tonnes of CO2e	tCO2e	595.83	—	No assurance
Emission Management	Bursa C11(b) Scope 2 emissions in tonnes of CO2e	tCO2e	325.86	—	No assurance
Emission Management	Bursa C11(c) Scope 3 emissions in tonnes of CO2e	tCO2e	59.03	—	No assurance
Water	Bursa C9(a) Total volume of water used	Megalitres	42.02	—	No assurance
Waste Management	Bursa C10(a) Total waste generated	Metric tonnes	1,583.35	—	No assurance
Waste Management	Bursa C10(b)(i) Total waste diverted from disposal	Metric tonnes	54.20	—	No assurance
Waste Management	Bursa C10(b)(ii) Total waste directed to disposal	Metric tonnes	1,52915	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender group for employee category-Key Senior Management Male	Percentage	100.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender group for employee category-Key Senior Management Female	Percentage	0.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender group for employee category-Middle Management Male	Percentage	72.00	—	No assurance

Sustainability Statement

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Melati Ehsan Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Bursa C3(a) Percentage of employees by gender group for employee category- Middle Management Female	Percentage	28.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender group for employee category-Executive Male	Percentage	31.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender group for employee category-Executive Female	Percentage	69.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender group for employee category-Non-Executive Male	Percentage	75.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by gender group for employee category-Non-Executive Female	Percentage	25.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Key Senior Management under 35	Percentage	20.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Key Senior Management between 35-50	Percentage	0.00	—	No assurance

Sustainability Statement

Date & Time: 2025-12-19_16:35:51

Melati Ehsan Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Key Senior Management above 50	Percentage	80.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Middle Management under 35	Percentage	8.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Middle Management between 35-50	Percentage	72.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Middle Management above 50	Percentage	20.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Executive under 35	Percentage	38.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Executive between 35-50	Percentage	54.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Executive above 50	Percentage	8.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Non-Executive under 35	Percentage	25.00	—	No assurance

Sustainability Statement

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Melati Ehsan Holdings Berhad BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Non-Executive between 35-50	Percentage	75.00	—	No assurance
Diversity	Bursa C3(a) Percentage of employees by age group for employee category-Non-Executive above 50	Percentage	0.00	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by gender and age group- Male	Percentage	80.00	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by gender and age group-Female	Percentage	20.00	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by gender and age group-Under 40	Percentage	20.00	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by gender and age group-Between 40-49	Percentage	0.00	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by gender and age group-Between 50-59	Percentage	0.00	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by gender and age group-Between 60-69	Percentage	40.00	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by gender and age group-Between 70-79	Percentage	40.00	—	No assurance
Diversity	Bursa C3(b) Percentage of directors by gender and age group-Between 80-89	Percentage	0.00	—	No assurance

Sustainability Statement

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Melati Ehsan Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour Practices and Standards	Bursa C6(a) Total hours of training by employee category-Key Senior Management	Hours	62	—	No assurance
Labour Practices and Standards	Bursa C6(a) Total hours of training by employee category-Middle Management	Hours	244	—	No assurance
Labour Practices and Standards	Bursa C6(a) Total hours of training by employee category-Executive	Hours	317	—	No assurance
Labour Practices and Standards	Bursa C6(a) Total hours of training by employee category-Non-Executive	Hours	0	—	No assurance
Labour Practices and Standards	Bursa C6(b) Percentage of employees who are contract-based or temporary staff	Percentage	5.00	—	No assurance
Labour Practices and Standards	Bursa C6(c) Total number of employee turnover by employee category-Key Senior Management	Number	0	—	No assurance
Labour Practices and Standards	Bursa C6(c) Total number of employee turnover by employee category-Middle Management	Number	0	—	No assurance
Labour Practices and Standards	Bursa C6(c) Total number of employee turnover by employee category-Executive	Number	0	—	No assurance
Labour Practices and Standards	Bursa C6(c) Total number of employee turnover by employee category-Non-Executive	Number	0	—	No assurance
Labour Practices and Standards	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	—	No assurance

Sustainability Statement

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Melati Ehsan Holdings Berhad

BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Health and Safety	Bursa C5(a) Number of work-related fatalities	Number	0	—	No assurance
Health and Safety	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	—	No assurance
Health and Safety	Bursa C5(c) Number of employees trained on health and safety standards	Number	2	—	No assurance
Community/Society	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,005,000.00	—	No assurance
Community/Society	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3	—	No assurance
Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category-Key Senior Management	Percentage	100.00	—	No assurance
Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category-Middle Management	Percentage	100.00	—	No assurance
Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category-Executive	Percentage	100.00	—	No assurance

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Sustainability Statement

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Melati Ehsan Holdings Berhad BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category-Non-Executive	Percentage	100.00	—	No assurance
Anti-Corruption	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	—	No assurance
Anti-Corruption	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	—	No assurance
Supply Chain Management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	—	No assurance
Data Privacy and Security	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	No assurance

Sustainability Statement

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Melati Ehsan Holdings Berhad

IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
—	—	—	—	—	No assurance

Sustainability Statement

Melati Ehsan Holdings Berhad

IFRS S2

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
—	—	—	—	—	No assurance

Corporate Governance Overview Statement

This Statement is presented pursuant to Para 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The objective of this Statement is to provide an overview of the key corporate governance practices of the Group during the financial year concerning the Corporate Governance (“CG”) principles on:-

- a. Board leadership and effectiveness;
- b. Effective audit and risk management; and
- c. Integrity in corporate reporting and meaningful relationships with stakeholders.

In addition to this CG Overview Statement, the Board has also provided specific disclosures on its application of the principles in the Malaysian Code on Corporate Governance (“MCCG”) in its Corporate Governance Report (“CG Report”). The CG Report can be obtained by referring to the Annual Report announcement on Bursa’s website or by visiting the Company’s website at www.melatiehsan.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD RESPONSIBILITIES

In its Board Charter, the Board has defined its roles and responsibilities in discharging its fiduciary and leadership functions, including those reserved for its approval. In addition, the Board has established specific Board Committees, namely the Executive, Risk Management and Sustainability Committee (“ERMSC”), Audit Committee (“AC”), Nomination Committee (“NC”), and Remuneration Committee (“RC”).

This Board Charter and the terms of reference of the Board Committees are posted on the Company’s website at www.melatiehsan.com.my.

The Board ensures that adequate information is provided for them to oversee the conduct of the business and management performance. Board papers and minutes of Board Committee meetings are circulated before Board meetings to enable Board members to review, consider, and deliberate on the matters, and, where necessary, to obtain further information and explanations to facilitate informed decision-making. Additionally, Management is invited to attend and provide explanations for the Board’s agenda. Progressively, the Board is also briefed by the Company Secretary, External Auditors, and Internal Auditors on new developments or changes in corporate regulatory requirements.

The Chairman leads the Board and facilitates the communication between Management and the Board. The Board has balanced the position of the Executive Chairman with the majority of Independent Non-Executive Directors on the Board.

The Board and Board Committees are assisted by two (2) qualified and competent Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The Company Secretaries support the Board in carrying out their fiduciary duties and in their stewardship role in shaping the Group’s corporate governance standards. The Company Secretaries also advise the Board, particularly regarding the Company’s Constitution, the Board’s policies and procedures, and compliance with regulatory requirements, codes, guidelines, legislation, and corporate governance practices.

Procedurally, when external counsel is necessary, the Director who intends to seek such consultation or advice shall notify the Company Secretaries. The Company Secretaries shall forward the request to the Executive Chairman for approval. All advice and opinions from the advisers shall be reported to the Board.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(I) BOARD RESPONSIBILITIES (continued)

The Board meets at least every quarter. Deliberations at Board meetings are recorded in the minutes and circulated to all Board members for review. During the financial year, five (5) Board meetings were held. Details of each Director's attendance are as follows: -

Director	Directorship	Total Meetings Attended During Tenure Period
Tan Sri Dato' Seri Yap Suan Chee	Executive Chairman	5/5
Mr Yap Wei Sam	Executive Director	5/5
Encik Hidzir Bin Yahya	Independent Non-Executive Director	4/5
Mr Clifford Anthony Clement	Senior Independent Non-Executive Director	5/5
Madam Loo Yeok Bee	Independent Non-Executive Director	5/5
Dato' Mohd Zain Bin Yahya (Resigned w.e.f 8/11/2024)	Independent Non-Executive Director	1/1

The Company Secretaries and Management regularly update the Board on the training programme available from regulators and professional bodies. The trainings attended by the Directors during the financial year are listed below: -

Director	Training Attended
Tan Sri Dato' Seri Yap Suan Chee	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Mr Yap Wei Sam	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Encik Hidzir Bin Yahya	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Mr Clifford Anthony Clement	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Madam Loo Yeok Bee	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Dato' Mohd Zain Bin Yahya (Resigned w.e.f 8/11/2024)	Not Applicable

(II) BOARD COMPOSITION

The Board comprises two (2) Executive Directors and three (3) Independent Non-Executive Directors ("INEDs"). With the majority of INEDs on the Board, the Board composition complies with Paragraph 15.02 of the MMLR of Bursa Securities, which states that at least two (2) Directors, or 1/3 of the Board, whichever is higher, must be Independent Directors.

Presently, the Board Chairman is the Executive Chairman. The executive role of the Chairman enables the Executive Chairman to align the interests of the Board, Management, and shareholders for maximising shareholders' wealth. Nonetheless, the Executive Chairman's influence on the Board is balanced by the Board's composition, which comprises a majority of Independent Non-Executive Directors. Additionally, the Board Chairman is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.

All Independent Non-Executive Directors are independent and have no family or business relationships with Management and the Group that may interfere with their independent judgment.

The Board acknowledges the importance of gender diversity. Although the current female representation on the board is less than 30%, the Board ensures that the diverse perspectives and insights of all board members are taken into account when deliberating on issues and making decisions.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(II) BOARD COMPOSITION (continued)

The current Board consists of Directors from diverse backgrounds and specialisations, with a wide range of experience and expertise in accounting & finance, business management, construction & property development, legal and banking. The following table summarises the diversity in skills and age distribution.

Age Group (years)	<40	40-49	50-59	60-69	70-79
Executive Director	1	-	-	-	1
Independent Non-Executive Director	-	-	-	2	1

Skills	Accounting & Finance	Business Management, Construction & Property Development	Legal	Banking
Executive Director	-	2	-	-
Independent Non-Executive Director	1	-	1	1

According to Chapter 1, Section 1.01, the independent director does not serve in any one or more of the said Corporations for a cumulative period of more than 12 years from the date of his first appointment as an independent director. Dato' Mohd Zain Bin Yahya stepped down on 8 November 2024 before exceeding the twelve-year threshold.

Additionally, the amended MMLR prohibits individuals from being an independent director, if they had provided professional advisory services to or engaged in any transaction with the Company; or are presently a partner, Director (except as an independent director) or major shareholder of a firm or corporation ("Entity") which has provided professional advisory services to and engaged in any transaction with the Company within the last three (3) years, and the consideration in aggregate is more than 5% of the gross revenue on a consolidated basis (where applicable) of the said Director or the Entity or RM1 million, whichever is the higher.

The Board wishes to confirm that the above requirements do not apply to any of the Independent Directors.

(III) ANNUAL BOARD EVALUATION

The Board has formal assessments for the Board, individual directors, Board Committees and independence of Independent Directors. These performance assessments are overseen by the NC and are in line with the Fit and Proper Policy.

For the financial year under review, the Board is satisfied with the performance assessment results and the fit-and-proper criteria for the individual director, the Board, and the Board Committees. The NC used the evaluation results to recommend the Directors' standing for re-election to the Board for shareholders' approval at the AGM.

(IV) REMUNERATION

The Board authorises the RC to establish formal and transparent policies and procedures to determine Directors' remuneration. The RC's terms of reference are posted on the corporate website.

The remuneration of Executive Directors and key senior Management will be determined based on the Group's financial performance, prevailing market conditions, and their performance, including their responsibilities to manage significant sustainability risks and opportunities. In contrast, the remuneration for Non-Executive Directors is based on their contributions, level of responsibility, experience, seniority, and involvement. Directors' remuneration is subject to the Board's approval. All Directors would abstain from discussing their remuneration.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(IV) REMUNERATION (continued)

Under Section 230(1) of the Companies Act 2016, fees and any benefits payable to the directors of a listed company and its subsidiaries will be subject to shareholders' approval at a general meeting. The Directors' fee for the new financial year, proposed for shareholders' approval at the forthcoming AGM, is RM267,000.

The details of the Directors' annual remuneration received from the Company and the subsidiary companies during the financial year are as follows:

i. From the Company:

	Fees (RM)	Salaries & other emoluments (RM)	Total (RM)
Tan Sri Dato' Seri Yap Suan Chee	50,000	-	50,000
Mr Yap Wei Sam	20,000	-	20,000
Encik Hidzir Bin Yahya	36,000	6,000	42,000
Mr Clifford Anthony Clement	36,000	6,000	42,000
Madam Loo Yeok Bee	36,000	6,000	42,000
Dato' Mohd Zain Bin Yahya (Resigned w.e.f 8/11/2024)	6,000	1,000	7,000
Total:	184,000	19,000	203,000

ii. From the Subsidiaries of the Group:

	Salaries & other emoluments (RM)	Benefit-in-Kind (RM)	Total (RM)
Tan Sri Dato' Seri Yap Suan Chee	510,600	13,300	523,900
Mr Yap Wei Sam	203,000	-	203,000
Total:	713,600	13,300	726,900

The Company continues to disclose the Key Senior Management's annual remunerations on a band basis: -

Remuneration Bands	No. of Key Senior Management
RM200,000 – RM250,000	1
RM400,000 – RM450,000	3
RM550,000 – RM600,000	1

Due to the competitive nature of the construction job market, the Group discloses the remuneration of key senior management only on a band basis, rather than providing individual names and detailed remuneration information.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

(V) WHISTLE-BLOWING POLICY AND PROCEDURES

The Board established a whistleblowing policy and reporting channel. The Policy is posted on the Company's website at www.melatiehsan.com.my for public reference.

To provide greater comfort to whistleblowers regarding the confidentiality of the information and identities reported, the Board has assigned the Internal Auditor to administer the whistleblowing reporting channel. Stakeholders are encouraged to report violations to melati@whistleblower.com.my.

The Internal Auditor reported to the Board that no complaint was received during the financial year.

(VI) CODE OF CONDUCT AND ETHICS

The Board defined its Code of Conduct and Ethics, covering its values and principles to guide stakeholders on the ethical behaviours expected of the Group and to enable the Board to convey and instil its values within the organisation. In addition, the Board has prohibited Directors and employees of the Group from committing abuse of power, corruption, insider trading, money laundering, misconduct, and sexual harassment under this Code of Conduct and Ethics.

In addition, the Group implemented the Anti-Bribery and Corruption Policy to guide employees and business associates in taking appropriate measures and steps to prevent bribery and corruption.

(VII) CONFLICT OF INTEREST

The Group has established a Conflict of Interest ("COI") Policy. This Policy provides a framework for identification, managing, and monitoring COI situations. It applies to all directors, major shareholders and key senior management of the Group, excluding related and recurrent related party transactions, which are governed by Paragraphs 10.08 and 10.09 of Chapter 10 of the MMLR.

The COI Policy and the Conflict-of-Interest Declaration Form are available on the company website.

(VIII) SUSTAINABILITY

The Group's core sustainability values, initiatives, and performance are communicated to stakeholders through the Sustainability Statements presented on pages 16 to 36 of this Annual Report. The Group integrates sustainability into its business and operational decision-making by evaluating the impacts of sustainability issues when considering new business ventures and opportunities. The Group has conducted stakeholder engagement to identify, assess, prioritise and track the sustainability matters and their performance.



Penerimaan Sijil Tawaran, PIPBJ, Gerbang Nusajaya, Iskandar Puteri, Johor Bahru, Johor

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) AUDIT COMMITTEE (“AC”)

The Board established an effective and independent AC. The AC members are financially literate and understand matters within the AC's purview, including the financial reporting process. Presently, the members of AC comprise fully Independent Non-Executive Directors.

The Chairman of the AC is not the Chairman of the Board. The AC Chairman can access all Executive Directors, Senior Management, and External and Internal Auditors. The AC annually reviews the terms of office and performance of the AC and each of its members.

The Board is satisfied with the AC's composition structure, practice, and objectivity in reviewing and reporting findings and recommendations to the Board.

The AC reviewed the external auditors' independence, performance, and remuneration annually before recommending them for reappointment to shareholders at the AGM. In assessing the External Auditors, the AC considered their independence, the quality of audit review procedures, and the adequacy of the firm's expertise and resources to carry out their audit work. As part of the AC review processes, the AC has obtained assurance from the External Auditors that they are, and have been, independent throughout the conduct of the audit engagement, in accordance with all relevant professional and regulatory requirements.

In addition, the AC will convene meetings with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group as and when necessary.

Further details of the AC activities are disclosed in the Audit Committee Report on pages 45 to 47.

(II) RISK MANAGEMENT AND INTERNAL CONTROL

The Board and AC are responsible for oversight of risk management in the Group, covering the systems of risk management and internal control for financial, operational, and compliance matters. In contrast, the ERMSC, Executive Directors and the key senior management are responsible for managing risks effectively within the Group.

The Internal Audit Function is headed by a Director, assisted by a manager. The Director is a qualified accountant. The Internal Auditors perform their work with reference to the International Professional Practice Framework principles of the Institute of Internal Auditors. The AC reviews the Internal Auditors' performance to ensure their objectivity and independence are not compromised.

Further details of the Group's systems of risk management and internal control and the internal audit function are reported in the Statement on Risk Management and Internal Control on pages 48 to 50 and the AC Report on pages 45 to 47 respectively, in this Annual Report.

Overall, the Board is satisfied with the effectiveness and adequacy of the Group's current risk management and internal control systems.

Corporate Governance Overview Statement

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

(I) COMMUNICATION WITH STAKEHOLDERS

The Board acknowledges the need for and importance of communication with shareholders and investors on all material business and corporate matters of the Group. It is believed that clear and consistent communication with investors promotes a better understanding of the Company's business and activities, reduces share price volatility, and enables the Company's business and prospects to be evaluated fairly.

The financial results and announcements of the Group are published quarterly on Bursa Securities' website at www.bursamalaysia.com. Concurrently with these releases, the Company posts all announcements on its website at www.melatiehsan.com.my. In addition, the Company's website contains essential corporate information about the Group for the general public's interest. Other ways the Board communicates with stakeholders include shareholder interaction during general meetings and, if requested, meetings with research analysts and fund managers to provide them with insight into the Group's business.

(II) CONDUCT OF GENERAL MEETINGS

In the last AGM, a notice of the AGM and Annual Reports were sent to shareholders twenty-eight (28) days before the meeting and published in a major local newspaper. The note to the Notice of AGM provided a detailed explanation for each resolution proposed, enabling shareholders to study the resolutions and raise questions to the Board during the AGM before voting.

The last AGM was held virtually. Even then, shareholders could attend, vote, and question, and the Board responded satisfactorily to their questions. All questions and answers raised were recorded in the meeting minutes. All resolutions set out in the Notice of AGM were put to the vote by poll. The AGM outcome was announced to Bursa Securities on the same day, while the summary of the critical matters discussed during the AGM was posted on the Company website.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

- i. The annual audited financial statements of the Group and the Company are drawn up in accordance with applicable Malaysian Financial Reporting Standards, the provisions of the Companies Act, 2016, and the MMLR to give an accurate and fair view of the state of affairs of the Group and the Company for the financial year, and
- ii. Proper accounting and other records are kept, which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the Group's assets to prevent and detect fraud and other irregularities.

In preparing the financial statements for the financial year ended 31 August 2025, the Directors have adopted appropriate accounting policies and applied them consistently, with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in preparing the financial statements.

This Statement is made in accordance with a resolution of the Board on 26 November 2025.

Nomination Committee Statement

The Nomination Committee (“NC”) is established with clear defined Terms of Reference of which is available at the Company’s website at www.melatiehsan.com.my. It comprises three (3) Independent Non-Executive Directors and its composition is as follows:

Chairman :	Encik Hidzir Bin Yahya (<i>Independent Non-Executive Director</i>) (Appointed w.e.f. 8/11/2024)
	Dato’ Mohd Zain Bin Yahya (<i>Independent Non-Executive Director</i>) (Resigned w.e.f. 8/11/2024)
Members :	Mr Clifford Anthony Clement (<i>Senior Independent Non-Executive Director</i>)
	Madam Loo Yeok Bee (<i>Independent Non-Executive Director</i>) (Appointed w.e.f. 8/11/2024)

NC is maintained to ensure that there are formal and transparent procedures for appointing new Directors to the Board and reviewing their performance appraisals. In order to ensure that the selection and evaluation of board members are done objectively, the NC consists mainly of independent board members, and the Committee is chaired by an Independent Director.

The Fit and Proper Policy adopted by the Group serves as a guiding tool for NC to ensure that individuals appointed as Directors and existing board members of the Group can discharge their duties with propriety. The Directors’ Fit and Proper Policy is available on the Company’s website at www.melatiehsan.com.my.

The NC meeting will be held at least once (1) annually. The NC met once (1) during the financial year ended 31 August 2025 and all of its members attended it.

For the financial year ended 31 August 2025, the activities carried out by the NC were as follows:

- Evaluated the performance of Board, Board Committees and individual Directors;
- Reviewed and recommended the re-election of Directors pursuant to the Company’s Constitution; and
- Assessed the independence of the Independent Directors.

The criteria used by NC to assess the independence of Independent Directors are primarily based on the requirements and definition of “independent director” as set out in the Main Market Listing Requirements and the integrity and objectivity of the Independent Director in discharging his duties. Individual members of the NC had abstained from deliberation with respect to their independence.

Annually, the NC assessed the effectiveness of the Board, the Board committees, and the contribution and performance of each Director. The evaluation exercise serves as a constructive platform for the Board to address areas for improvement in its functioning and formulate corrective measures where required.

For year 2025, the assessment was conducted internally under purview of the NC, with facilitation by the Company Secretaries. Evaluation questionnaires seeking feedback on how each Board member views the performance of the Board as a whole and the respective Board Committees reporting to it as well as the Key Officers had been circulated to the Board. The questionnaires were derived from the Exhibits of the Corporate Governance Guide of Bursa Malaysia Berhad. The questionnaires provide a useful basis from which the key factors / criteria to determine effectiveness may be inferred.

Based on the evaluation results, the Board is generally satisfied with the performance and effectiveness of the Board and Board Committees, as well as the Board’s compositions, skill sets, competencies, and the continued independence of its Independent Non-Executive Directors.

In recommending the Directors for re-election to the Board, the NC will consider the individual Directors’ annual assessment results to ensure that the performance of the Directors retiring by rotation is satisfactory. Similarly, individual Directors who were retiring by rotation had abstained from making recommendations for their respective re-elections and re-appointments.

NC, when making a recommendation to the Board regarding the re-election of Directors or the appointment of new Board members, shall consider the following:

- Size, composition, gender, criteria stated in the directors’ fit and proper policy, mix of skills, experience, competencies and other qualities of the existing Board, level of commitment, resources and time that the recommended candidate can contribute to the existing Board and MEHB Group; and
- The candidate’s skills, knowledge, expertise and experience, professionalism and integrity.

The final decision on who will be appointed as Director remains the responsibility of the full Board after considering the recommendation of the NC. During the financial year 2025, no new Director was appointed to the Board.

The Statement is made in accordance with a resolution of the Board on 29 October 2025.

Audit Committee Report

ESTABLISHMENT AND COMPOSITION

The Audit Committee of Melati Ehsan Holdings Berhad (the “Company”) was established on 29 January 2007.

For the financial year ended 31 August 2025, the Audit Committee (the “Committee”) comprises the following directors:-

Chairman :	Encik Hidzir Bin Yahya (<i>Independent Non-Executive Director</i>) (Appointed w.e.f 8/11/2024)
	Dato’ Mohd Zain Bin Yahya (<i>Independent Non-Executive Director</i>) (Resigned w.e.f 8/11/2024)
Members :	Mr Clifford Anthony Clement (<i>Senior Independent Non-Executive Director</i>)
	Madam Loo Yeok Bee (<i>Independent Non-Executive Director</i>) (Appointed w.e.f 8/11/2024)

TERMS OF REFERENCE

The Terms of Reference of the Committee is available for viewing under the Corporate Governance section of the Company’s website.

AUDIT COMMITTEE MEETINGS

During the financial year ended 31 August 2025, five (5) meetings were held on 29 October 2024, 27 November 2024, 20 January 2025, 29 April 2025 and 30 July 2025. The details of the Audit Committee’s meetings held and attended by the Committee during the financial year are as follows:-

	Audit Committee Member	No. of Meetings Attended
Chairman	Encik Hidzir Bin Yahya (<i>Independent Non-Executive Director</i>) (Appointed w.e.f 8/11/2024)	4/5
	Dato’ Mohd Zain Bin Yahya (<i>Independent Non-Executive Director</i>) (Resigned w.e.f 8/11/2024)	1/1
Members	Mr Clifford Anthony Clement (<i>Senior Independent Non-Executive Director</i>)	5/5
	Madam Loo Yeok Bee (<i>Independent Non-Executive Director</i>) (Appointed w.e.f. 8/11/2024)	4/4

SUMMARY OF WORK OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 AUGUST 2025

During the financial year ended 31 August 2025, the activities of the Audit Committee included the following:-

- reviewed the unaudited quarterly financial results and announcements of the Company and of the Group prior to submission to the Board of Directors for consideration and approval. The items typically reviewed are the Group’s consolidated statement of profit and loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows as well as the explanatory notes pursuant to Malaysian Financial Reporting Standard (“MFRS”) 134 i.e. Interim Financial Reporting as well as Appendix 9B of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements on Quarterly Reports. The Committee also reviews the variance of the quarterly results against the budget and the impact of unusual transactions including significant related party transactions, if any;
- reviewed the audited financial statements for the year ended 31 August 2024. The Committee would take note of the external auditor’s observations arising from the audit that are significant e.g. any material variance between the financial results of the fourth quarter and the audited figures, any unadjusted audit differences above the threshold or material weaknesses in internal controls;
- reviewed the External Auditors’ report including the significant auditing and accounting matters and key audit matters and to ensure that appropriate action have been taken for the financial year ended 31 August 2024;

Audit Committee Report

SUMMARY OF WORK OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 AUGUST 2025 (continued)

- d. reviewed the assistance and cooperation given by the employees to the External Auditors in respect of the audit for the financial year ended 31 August 2024;
- e. reviewed disclosure statements on Corporate Governance, Audit Committee Report, Sustainability Statement and the Statement on Risk Management and Internal Control for the financial year ended 31 August 2024 and recommended their adoption to the Board;
- f. met with the External Auditors twice during the financial year ended 31 August 2024 without the presence of any executive Board members;
- g. reviewed with the External Auditors the Audit Planning Memorandum for the financial year ended 31 August 2025 which comprised inter alia, the declaration by the External Auditors of their professional independence, the audit objectives, the statutory / other responsibilities of the auditors and directors, scope of the audit and its workflow, audit materiality threshold, areas of audit emphasis, new Financial Reporting Standards issued and effective / not yet effective, amendments to Bursa Malaysia's Listing Requirements relating to disclosure and corporate governance, the new format of the auditors' report and the External Auditor's deliverables and key dates in the audit;
- h. considered the audit fee payable and the nomination of the External Auditors for recommendation to the Board for re-appointment;
- i. reviewed and approved the internal auditors' scope of work through the Internal Audit Plan ensure that the audit direction was appropriate and relevant to changes in the present Group's operating environment;
- j. reviewed internal audit reports prepared by the Internal Auditors on:-
 - Information technology general control review
 - Human resource review
 - Recurrent related party transactions review; and
 - Follow-up audits to ascertain the status of management action for past audit findings
- k. reviewed the guidelines and procedures for related and recurrent related party transactions. Subsequently, tabled the related party transactions for the Board's notation and the Proposed Shareholders' Mandate for the recurrent related party transactions, which will be recommended to shareholders for approval;
- l. reviewed Corruption Risk Assessment Status Report and Action Plan;
- m. reviewed Anti-Bribery and Corruption Policy and Whistleblowing Policy; and
- n. Reviewed conflict of interest ("COI") situations.

INTERNAL AUDIT FUNCTION

In accordance with paragraph 15.27 of the Bursa's Listing Requirements, a listed issuer must establish an internal audit function which is independent of the activities it audits and must ensure its internal audit function reports directly to the Audit Committee.

In furtherance thereof, the Group had established an internal audit function which is essential for assisting the Audit Committee in reviewing the state of the systems of internal control maintained by the management.

This function is outsourced to an internal audit consulting company. The audit team members are independent of the activities audited by them. Functionally, the internal auditors review and assess the Group's system of internal control and report to the Audit Committee directly. Audit plan is produced and presented to the Audit Committee for review and approval. This ensures that the audit direction is in line with the Audit Committee's expectations.

Audit Committee Report

INTERNAL AUDIT FUNCTION (continued)

The Internal Auditors have performed its work in accordance with the principles of the international professional practice framework on internal auditing covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns.

During the financial year, the Internal Auditors conducted the internal control reviews on the operating functions and procedures and recommended action plans for management improvement. The final audit reports containing audit findings and recommendations together with management's responses thereto were circulated and presented to all members of the Audit Committee. The areas and operating processes reviewed by the Internal Auditors are as follows:-

- i. Recurrent Related Party Transaction
- ii. Follow up Audit Report
- iii. Proposed Internal Audit Plan for 2025 – 2027
- iv. Corruption Risk Assessment Status Report and Action Plan
- v. Revised Anti-Bribery and Corruption Policy and Whistleblowing Policy

All internal audit reports were reviewed by the Audit Committee and discussed at Audit Committee Meetings. Follow-up reviews would subsequently be performed to ascertain the extent of implementation of the recommended corrective action for improvements.

The cost incurred for the internal audit function in respect of the financial year ended 31 August 2025 was RM76,982 (2024: RM75,662).

This report was approved by the Board on 29 October 2025.



Statement on Risk Management and Internal Control

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall responsibility for maintaining sound risk management and internal control system for the Group and understands the principal risks of the business that the Group involves. The Board also understands that effective risk management requires balancing risk, return and the cost of managing risks.

The Board has established the following mechanism in overseeing risks and obtaining the relevant information needed to derive its comfort on the state of internal control and risk management of the Group:-

- The establishment of an Executive, Risk Management and Sustainability Committee ("ERMSC") in implementing the strategic plan of the Group, overseeing the conduct of business and managing risks;
- Management briefing to the Board on the progress of the ongoing projects and any new projects;
- Quarterly review of financial information covering financial performance and quarterly financial results by the Audit Committee ("AC") and the Board;
- The AC's reviews and consultations with management on financial results, annual reports and audited financial statements;
- Reviews of audit findings and the integrity of the Group's financial information presented by the External Auditors;
- Reviews of internal audit findings and management action for improvement on the systems of internal control and governance practices reported by the Internal Auditors;
- The implementation of the Anti-Corruption Measures and Policy and Whistleblowing Policy;
- Reviews of related party transactions and the control procedure thereof to ensure that these transactions and situations do not deprive the minority shareholders' interests; and
- The provision of assurance by Chief Executives that the Group's risk management and internal control systems are adequate and effective in all material respects.

RISK MANAGEMENT

The Group has an ongoing process for identifying, evaluating and managing principal risks the organisation faces. The Board is assisted by ERMSC to identify, assess, and formulate strategies and plans to manage the business and operational risks and to capitalise on potential business opportunities in the market. The ERMSC comprises the Executive Directors, Chief Executives and appointed key management personnel.

The ERMSC holds weekly meetings to review and monitor the developments in the business and the progress of ongoing and potential projects. These meetings enable decisions and expected operational performance, targets, and objectives to be communicated to the management. At the same time, it allows the ERMSC to supervise and align management actions ensuring that risk and opportunity exposures are within the Group's risk appetite.

The Group implemented a "Risk Planning and Action Form" to document the potential risks and challenges and the mitigation plans identified in the projects. Each risk is evaluated and reported based on its potential impact and likelihood of occurrence. Management also reviewed and updated the identified potential project's risks and challenges, among others, the work quality, site safety and health, workforce, project timeline, and the associated mitigation plans.

The Group continues to operate in a highly dynamic market environment with evolving competitive and financing conditions. These market developments have influenced the pace of sales and inventory levels. Internally, the Group remains focused on prudent financial management to ensure healthy gearing and sustainable growth.

To strengthen performance, the Group has taken proactive measures by collaborating with real estate agents and brokers to enhance project visibility, broaden market reach, and drive sales momentum. The Group also continues to reinforce its sales performance management through regular assessments of marketing effectiveness, sales targets, and loan approval progress.

In the construction division, the Group is navigating a changing cost landscape and a shift in government project allocations. To optimise cost efficiency, it consistently engages with contractors and suppliers to secure favourable contract and material terms. At the same time, the Group is actively exploring new project opportunities beyond the Klang Valley to further diversify and strengthen its project portfolio.

Statement on Risk Management and Internal Control

INTERNAL CONTROLS

Internal controls are crucial in supporting the risk management system's function. Management continually reviews and enhances its internal control procedures based on the findings of the auditors and consultants. The key features of the control framework and procedures in the Group are as follows:

- i. Board comprising half of the non-executive and independent directors, provides objective oversight on management performance and effectiveness;
- ii. Management organisation structure defining the management functions, the hierarchical reporting structure, accountability, and authority;
- iii. Delegation and separation of responsibilities between the Board and management and the establishment of various Board Committees, and the presence of independent directors to oversee the financial, compliance and operational performance of the administration;
- iv. ISO Quality Management System sets out the operating procedures for the management functions. Annually, this quality management system is subject to internal and independent surveillance audits;
- v. Weekly ERMSC meeting to identify, assess and formulate strategies and plans to manage the business and operational risks and to capitalise on potential business opportunities in the market;
- vi. The AC reviews the comparison of actual financial performance against budget which is subsequently reported to the Board;
- vii. Internal audit function assisting the Board and AC in conducting independent assessments of the governance practices, risk management and internal control;
- viii. The Group's Code of Conduct and Business Ethics provides an ethical framework to guide the actions and behaviours of directors and employees of the Group;
- ix. Insurance program to share and minimise the Group's financial exposures and losses resulting from the risk of fire, public liability, worker compensation, and contractors' all risks;
- x. Security controls to prevent unauthorised access to the Group's properties, assets, and data;
- xi. Anti-corruption measures and policies to provide guidelines to the employees and business associates for taking appropriate measures and steps to prevent bribery; and
- xii. Whistleblowing Policy to guide and protect whistleblowers in reporting suspected bribery. The Group's whistleblowing reporting channel is administered independently by the Internal Auditors to safeguard the confidentiality of the whistleblowers.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

Functionally, the Heads of Departments and Chief Executives are the first and second lines of defence of the systems of risk management and internal control of the Group and are responsible to the Board for the adequacy and effectiveness of the Group's risk management and internal control systems mentioned in the above.

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects to the best of their knowledge.

Statement on Risk Management and Internal Control

BOARD ASSURANCE AND LIMITATION

The disclosure in this Statement is presented pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Board acknowledges that the process for identifying, evaluating and managing significant risks in the Group is ongoing. For the financial year under review, there was no material loss resulting from material control weaknesses. The Board is satisfied that the current level of the risk management and internal control systems are adequate and effective to enable the Group to achieve its business objectives.

While the Board wishes to reiterate that risk management and internal control systems would be continuously improved in line with the evolving business development, it should be noted that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems could only provide reasonable, not absolute, assurance against material misstatements, frauds and losses.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Listing Requirements of Bursa Malaysia Securities, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 (“AAPG3”) issued by the Malaysian Institute of Accountants.

Audit and Assurance Practice Guide 3 does not require the external auditors to consider whether this Statement covers all risk and controls or to form an opinion on the adequacy and effectiveness of the Group’s risk and control procedures. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention to cause 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 nor is this Statement factually inaccurate.

This Statement on Risk Management and Internal Control is made with the resolution of the Board dated 26 November 2025.

Additional Compliance Information

UTILISATION OF PROCEEDS

No proceed were raised by the Company from any corporate proposal during the financial year ended 31 August 2025.

AUDIT AND NON-AUDIT FEES

The auditors' remuneration including non-audit fees for the Group and the Company for the financial year ended 31 August 2025 is as follows:-

Details of Audit Fees	Group (RM)	Company (RM)
Statutory Audit Fees	148,000	36,000
Non-Audit Fees	6,000	4,000

MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries, involving directors' and major shareholders' interest, either still subsisting at the end of the financial year ended 31 August 2025 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

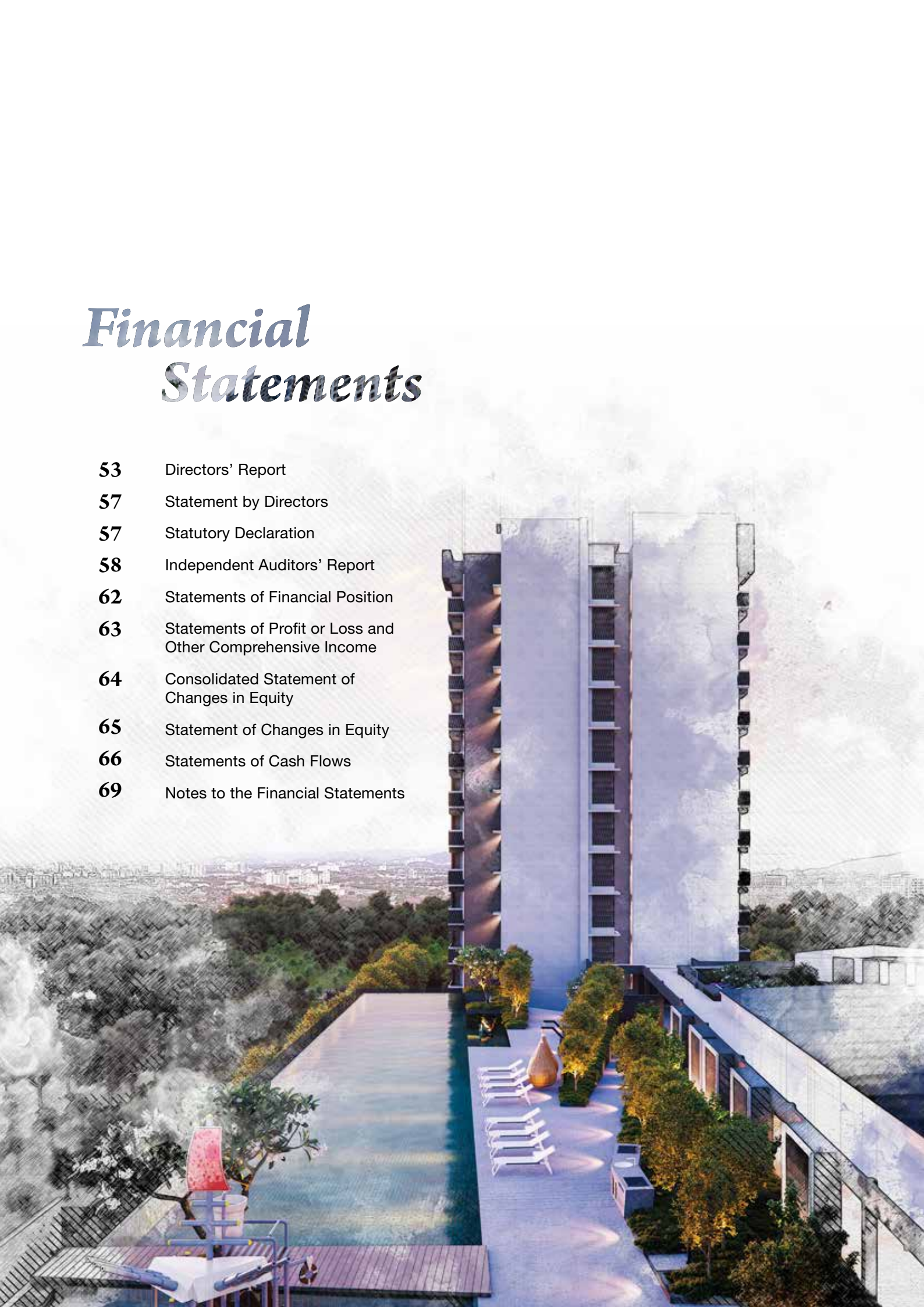
On 26 February 2025, the Company obtained approval from the shareholders of the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with persons who are considered to be "Related Party" as defined in Chapter 10 of the Listing Requirements.

The breakdown of the aggregate value of the recurrent related party transactions made during the financial year ended 31 August 2025 are set out below:-

Nature of Transactions	Melati Ehsan Group with the following Related Parties	Interested Director/Major Shareholder or Person Connected	Value transacted during the year ended 31/08/2025 (RM)
Construction contracts and development projects	Bonus Focus (M) Sdn Bhd	Tan Sri Dato' Seri Yap Suan Chee Puan Sri To' Puan Seri Teng Siew Kean	-
	Bayu Mantap Sdn Bhd	Tan Sri Dato' Seri Yap Suan Chee Puan Sri To' Puan Seri Teng Siew Kean Yap Wei Sam Yap Wei Nie	438,288
	Bayu Prospektif Sdn Bhd	Puan Sri To' Puan Seri Teng Siew Kean	15,340,961
	Harta Nusajaya Sdn Bhd	Yap Wei Sam	96,837.216
	Kuasa Ehsan Development Sdn Bhd	Tan Sri Dato' Seri Yap Suan Chee Puan Sri To' Puan Seri Teng Siew Kean	-
	Melati Ehsan (M) Sdn Bhd	Tan Sri Dato' Seri Yap Suan Chee Yap Wei Sam	5,471,999
	Mega Legacy (M) Sdn Bhd	Tan Sri Dato' Seri Yap Suan Chee Puan Sri To' Puan Seri Teng Siew Kean Yap Wei Sam	225,000
	Sentul Murni Sdn Bhd	Tan Sri Dato' Seri Yap Suan Chee Puan Sri To' Puan Seri Teng Siew Kean	-
	Sun Sakura Sdn Bhd	Yap Wei Sam	-

Financial Statements

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Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 August 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly turnkey contractor, property development, trading of construction materials, rental of machineries, money lending business and investment holding. Further details of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	1,119,386	271,871

DIVIDENDS

Dividend declared and paid since the end of the previous financial year was as follows:

	RM
In respect of the financial year ended 31 August 2024:	
First and final single-tier dividend of 1 sen per ordinary share, paid on 19 March 2025.	1,156,490

The Directors proposed a first and final single-tier dividend of 1 sen per ordinary share amounting to RM1,156,406 in respect of the financial year ended 31 August 2025, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect the proposed dividend. The first and final single-tier dividend, if approved by the shareholders, would be accounted for as an appropriation of retained earnings in the financial year ending 31 August 2026.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

There were no new shares or debentures issued during the financial year.

TREASURY SHARES

At the 20th Annual General Meeting held on 26 February 2025, shareholders of the Company approved the proposed renewal of shareholders' mandate for the Company to repurchase up to ten per centum (10%) of its own ordinary shares.

During the financial year, the Company repurchase 202,300 of its issued ordinary shares from the open market of Bursa Malaysia Securities at an average price of RM0.56 per share.

As at 31 August 2025, 4,446,700 (2024: 4,244,400) treasury shares at a total cost of RM2,519,301 (2024: RM2,406,916) are held by the Company. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 and the Main Market Listing Requirements and applicable guideline of Bursa Malaysia Securities.

The number of ordinary shares (net of treasury shares) as at 31 August 2025 is 115,553,734 (2024: 115,756,034).

Directors' Report

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Tan Sri Dato' Seri Yap Suan Chee*
 Hidzir Bin Yahya
 Clifford Anthony Clement
 Yap Wei Sam
 Loo Yeok Bee
 Dato' Mohd Zain Bin Yahya (Resigned on 8 November 2024)

* *Directors of the Company and its subsidiaries*

The Directors of the subsidiaries of the Company who have held office during the financial year and up to the date of this report, excluding those who are listed above are as follows:

Dato' Mohd Zain Bin Yahya
 Radzulai Bin Yahaya
 Lim Tong Hee
 Datuk Ir Leong Chee Kian

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company during the financial year ended 31 August 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	[----- Number of ordinary shares -----]			
	Balance as at 1.9.2024	Bought	Sold	Balance as at 31.8.2025
Shares in the Company				
Indirect interests:				
Tan Sri Dato' Seri Yap Suan Chee	59,689,511	-	-	59,689,511
Yap Wei Sam	20,784,264	-	-	20,784,264

By virtue of their interests in the ordinary shares of the Company, Tan Sri Dato' Seri Yap Suan Chee and Yap Wei Sam are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares of the Company or of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who received remunerations from the subsidiaries as Directors of the subsidiaries and the transactions entered into in the ordinary course of business with companies in which the Directors of the Company have substantial financial interests as disclosed in Note 27 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Report

DIRECTORS' REMUNERATION

The remuneration of Directors of the Group and the Company during the financial year was as follows:

	Group 2025 RM	Company 2025 RM
Executive Directors		
Fees	70,000	70,000
Salaries and bonus	1,438,000	-
Defined contribution plan	146,760	-
Others	2,137	-
Benefits-in-kind	13,325	-
	1,670,222	70,000
Non-Executive Directors		
Fees	114,000	114,000
Other emoluments	19,000	19,000
	1,803,222	203,000
Total		

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for Directors, officers or auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, 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 provision for doubtful debts and had satisfied themselves that there are no known bad debt to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
- (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) 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.

Directors' Report

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 August 2025 were as follows:

	Group RM	Company RM
Statutory audit	148,000	36,000
Other services	6,000	4,000
	154,000	40,000

Signed on behalf of the Board in accordance with a resolution of the Directors.

Tan Sri Dato' Seri Yap Suan Chee
 Director

Hidzir Bin Yahya
 Director

Kuala Lumpur
 26 November 2025

Statement By Directors

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

In the opinion of the Directors, the financial statements set out on pages 62 to 105 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Tan Sri Dato' Seri Yap Suan Chee
Director

Kuala Lumpur
26 November 2025

Hidzir Bin Yahya
Director

Statutory Declaration

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

I, Lim Tong Hee, being the officer primarily responsible for the financial management of Melati Ehsan Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 62 to 105 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur)
in the Federal Territory on)
26 November 2025)

Lim Tong Hee
CA 20377

Before me:

Mardhiyyah Abdul Wahab
W729
Commissioner for Oaths

Independent Auditors' Report

To The Members of Melati Ehsan Holdings Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Melati Ehsan Holdings Berhad, which comprise the statements of financial position as at 31 August 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 62 to 105.

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 August 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), 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 ("ISAs"). 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"), 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 year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters for the Group

(a) Revenue recognition for property development and construction contracts

Revenue from property development and construction contracts for the financial year ended 31 August 2025 amounted to RM29.0 million and RM114.8 million respectively as disclosed in Note 20 to the financial statements.

We determined these to be a key audit matter because it requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocation and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgemental in the context of the contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its cost estimation, including its obligations to contract variation, claims and cost contingencies.

Independent Auditors' Report

To The Members of Melati Ehsan Holdings Berhad

Key Audit Matters (continued)

Key Audit Matters for the Group (continued)

(a) Revenue recognition for property development and construction contracts (continued)

Audit response

Our audit procedures included the following:

- (i) Reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;
- (ii) Recomputed transaction prices based on contract prices, performance obligations and profit margins of the Group;
- (iii) Assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;
- (iv) Inspected documentation to support cost estimates made including contract variations and cost contingencies; and
- (v) Compared prior contract budgets to actual outcomes to assess reliability of management's budgeting process.

(b) Recoverability of trade and other receivables

As at 31 August 2025, trade and other receivables (excluding a non-current other receivable amounted to RM91.9 million recognised at fair value through profit or loss) of the Group net of impairment losses amounted to RM137.5 million and RM24.7 million respectively. The details of trade and other receivables and credit risk have been disclosed in Note 11 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade and other receivables, appropriate forward looking information and significant increase in credit risk.

Audit response

Our audit procedures included the following:

- (i) Recomputed the expected credit losses using historical data and forward looking information factors, applied by the Group;
- (ii) Inquired of management to assess the rationale underlying the relationship between the forward looking information and expected credit losses;
- (iii) Evaluated the appropriateness of the indicators of significant increase in credit risk applied by the management and the resultant basis for classification of exposure into respective stages; and
- (iv) Evaluated management's assessment and explanations on the individually significant trade and other receivables that were past due as at 31 August 2025 with reference to supporting evidence and correspondences with customers.

Key Audit Matters for the Company

We have determined that there are no key audit matters to communicate in our auditors' report in respect of the audit of the financial statements of the Company.

Independent Auditors' Report

To The Members of Melati Ehsan Holdings Berhad

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, 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 ability of the Group and of the Company 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (a) 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.
- (b) 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report

To The Members of Melati Ehsan Holdings Berhad

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- (d) 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 ability of the Group or of the Company 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.
- (e) 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.
- (f) 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.

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

Other Matters

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

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Lum Chiew Mun

03039/04/2027 J
Chartered Accountant

Kuala Lumpur
26 November 2025

Statements of Financial Position

As at 31 August 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	3,489,473	3,739,558	-	-
Right-of-use assets	6	541,828	521,537	-	40,465
Inventories	7	133,739,835	131,285,821	-	-
Investments in subsidiaries	8	-	-	175,843,885	175,585,535
Deferred tax assets	10	17,000	17,000	-	-
Trade and other receivables	11	97,233,804	93,500,000	-	-
		235,021,940	229,063,916	175,843,885	175,626,000
Current assets					
Inventories	7	57,477,845	63,297,597	-	-
Contract assets	12	22,541,276	8,969,037	-	-
Trade and other receivables	11	164,671,398	79,987,237	47,475,877	48,610,734
Current tax assets		1,048,474	1,882,311	71,388	89,188
Cash and bank balances	13	10,639,062	15,925,881	1,282,449	1,434,880
		256,378,055	170,062,063	48,829,714	50,134,802
TOTAL ASSETS		491,399,995	399,125,979	224,673,599	225,760,802
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	14	79,830,481	79,830,481	79,830,481	79,830,481
Treasury shares	15	(2,519,301)	(2,406,916)	(2,519,301)	(2,406,916)
Reserves	16	174,795,456	174,832,560	126,481,787	127,366,406
TOTAL EQUITY		252,106,636	252,256,125	203,792,967	204,789,971
LIABILITIES					
Non-current liabilities					
Borrowings	17	30,410,970	56,805,180	-	-
Lease liabilities	6	104,654	-	-	-
Deferred tax liabilities	10	23,832	30,362	-	-
		30,539,456	56,835,542	-	-
Current liabilities					
Trade and other payables	18	183,005,030	72,298,388	20,880,632	20,926,515
Contract liabilities	12	57,827	8,933	-	-
Borrowings	17	25,638,059	17,682,675	-	-
Lease liabilities	6	52,987	44,316	-	44,316
		208,753,903	90,034,312	20,880,632	20,970,831
TOTAL LIABILITIES		239,293,359	146,869,854	20,880,632	20,970,831
TOTAL EQUITY AND LIABILITIES		491,399,995	399,125,979	224,673,599	225,760,802

The accompanying notes form an integral part of the financial statements

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 August 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	20	152,287,464	36,264,311	1,200,000	1,500,000
Cost of sales	21	(130,428,208)	(26,298,155)	-	-
Gross profit		21,859,256	9,966,156	1,200,000	1,500,000
Other income		1,654,886	11,038,373	7,457	1,338,523
Administrative expenses		(10,515,355)	(9,692,717)	(225,460)	(275,480)
Other expenses		(7,007,079)	(3,608,131)	(557,927)	(627,050)
Net (impairment losses)/reversal of impairment losses on financial and contract assets	22(c)	(1,010,498)	3,327,919	(151,403)	(682,249)
Finance costs	22	(2,102,966)	(877,221)	(684)	(2,793)
Profit before tax	22	2,878,244	10,154,379	271,983	1,250,951
Tax expense	23	(1,758,858)	(1,957,346)	(112)	(118)
Profit for the financial year		1,119,386	8,197,033	271,871	1,250,833
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		1,119,386	8,197,033	271,871	1,250,833
Earnings per ordinary share attributable to equity holders of the Company:					
Basic (sen)	24	0.97	7.08		
Diluted (sen)	24	0.97	7.08		

The accompanying notes form an integral part of the financial statements

Consolidated Statements of Changes in Equity

For the Financial Year Ended 31 August 2025

Group	Note	Non-distributable			Distributable	Total equity RM
		Share capital RM	Reverse acquisition debit RM	Treasury shares RM	Retained earnings RM	
Balance as at 1 September 2023		79,830,481	(34,450,921)	(2,406,916)	202,244,008	245,216,652
Profit for the financial year		-	-	-	8,197,033	8,197,033
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	8,197,033	8,197,033
Transaction with owners						
Dividend paid, representing total transaction with owners	25	-	-	-	(1,157,560)	(1,157,560)
Balance as at 31 August 2024		79,830,481	(34,450,921)	(2,406,916)	209,283,481	252,256,125
Balance as at 1 September 2024		79,830,481	(34,450,921)	(2,406,916)	209,283,481	252,256,125
Profit for the financial year		-	-	-	1,119,386	1,119,386
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	1,119,386	1,119,386
Transaction with owners						
Repurchase of own shares	15	-	-	(112,385)	-	(112,385)
Dividend paid	25	-	-	-	(1,156,490)	(1,156,490)
Total transaction with owners		-	-	(112,385)	(1,156,490)	(1,268,875)
Balance as at 31 August 2025		79,830,481	(34,450,921)	(2,519,301)	209,246,377	252,106,636

The accompanying notes form an integral part of the financial statements

Statements of Changes in Equity

For the Financial Year Ended 31 August 2025

Company	Note	← Non-distributable →		Distributable	Total equity RM
		Share capital RM	Treasury shares RM	Retained earnings RM	
Balance as at 1 September 2023		79,830,481	(2,406,916)	127,273,133	204,696,698
Profit for the financial year		-	-	1,250,833	1,250,833
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	1,250,833	1,250,833
Transaction with owners					
Dividend paid, representing total transactions with owners	25	-	-	(1,157,560)	(1,157,560)
Balance as at 31 August 2024		79,830,481	(2,406,916)	127,366,406	204,789,971
Balance as at 1 September 2024		79,830,481	(2,406,916)	127,366,406	204,789,971
Profit for the financial year		-	-	271,871	271,871
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	271,871	271,871
Transaction with owners					
Repurchase of own shares	15	-	(112,385)	-	(112,385)
Dividend paid	25	-	-	(1,156,490)	(1,156,490)
Total transaction with owners		-	(112,385)	(1,156,490)	(1,268,875)
Balance as at 31 August 2025		79,830,481	(2,519,301)	126,481,787	203,792,967

The accompanying notes form an integral part of the financial statements

Statements of Cash Flows

For the Financial Year Ended 31 August 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		2,878,244	10,154,379	271,983	1,250,951
Adjustments for:					
Depreciation of:					
- property, plant and equipment	5	315,433	305,402	-	-
- right-of-use assets	6	145,914	150,190	40,465	53,976
Dividend income	20	-	-	(1,200,000)	(1,500,000)
Fair value changes on trade and other receivables		2,321,080	(9,823,717)	157,683	(1,323,717)
Gain on disposals of property, plant and equipment		(800)	(27,850)	-	-
Finance costs		2,102,966	877,221	684	2,793
Interest income		(231,444)	(464,439)	(7,457)	(50)
Impairment losses on:					
- trade receivables	11(b)(iv)	2,238,199	1,196,217	-	-
- other receivables	11(c)(v)	-	1,597,657	-	-
- contract assets	12(d)	133,284	163,365	-	-
- equity loan	8(e)	-	-	-	894,560
- investment in subsidiaries	8(d)	-	-	51,930	-
- amounts owing by subsidiaries	11(c)(v)	-	-	461,683	-
Reversal of impairment losses on:					
- trade receivables	11(b)(iv)	(1,327,391)	(6,285,158)	-	-
- other receivables	11(c)(v)	(8,632)	-	-	-
- contract assets	12(d)	(24,962)	-	-	-
- equity loan	8(e)	-	-	(310,280)	-
- investments in subsidiaries	8(d)	-	-	-	(14,172)
- amounts owing by subsidiaries	11(c)(v)	-	-	-	(212,311)
Waiver of debts		(292,157)	-	-	-
Operating profit/(loss) before working capital changes		8,249,734	(2,156,733)	(533,309)	(847,970)
Working capital changes:					
Land held for property development		(791,974)	(1,032,710)	-	-
Property development costs		7,417,175	(12,605,978)	-	-
Completed properties held for sale		(1,597,423)	-	-	-
Trade and other receivables		(91,641,221)	39,806,827	3,759,001	-
Trade and other payables		111,231,365	(2,917,123)	(45,883)	17,028
Contract assets		(13,680,561)	(2,693,660)	-	-
Contract liabilities		48,894	(2,920,053)	-	-
Cash generated from/(used in) operations		19,235,989	15,480,570	3,179,809	(830,942)
Tax paid		(1,080,118)	(2,884,900)	(1,500)	(22,000)
Tax refunded		148,567	418,508	19,188	-
Net cash from/(used in) operating activities		18,304,438	13,014,178	3,197,497	(852,942)

The accompanying notes form an integral part of the financial statements

Statements of Cash Flows

For the Financial Year Ended 31 August 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
(Advances to)/Repayment from subsidiaries		-	-	(3,243,510)	1,547,560
Dividend income received		-	-	1,200,000	1,500,000
Interest received		231,444	464,439	7,457	50
Proceeds from disposals of property, plant and equipment		800	28,800	-	-
Purchase of property, plant and equipment	5(b)	(65,348)	(102,990)	-	-
Placement of fixed deposits pledged with licensed banks		(49,546)	(99,199)	-	-
Upliftment of fixed deposits pledged		27,400	320,083	-	-
Net cash from/(used in) investing activities		144,750	611,133	(2,036,053)	3,047,610
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	25	(1,156,490)	(1,157,560)	(1,156,490)	(1,157,560)
Interest paid		(3,995,452)	(4,107,602)	-	-
Payments of lease liabilities	6	(55,000)	(60,000)	(45,000)	(60,000)
Drawdown of term loans		2,952,887	10,680,057	-	-
Repayments of term loans		(21,391,713)	(16,202,976)	-	-
Repurchase of own shares	15	(112,385)	-	(112,385)	-
Net cash used in financing activities		(23,758,153)	(10,848,081)	(1,313,875)	(1,217,560)
Net cash from/(used in) operating activities		18,304,438	13,014,178	3,197,497	(852,942)
Net cash from/(used in) investing activities		144,750	611,133	(2,036,053)	3,047,610
Net cash used in financing activities		(23,758,153)	(10,848,081)	(1,313,875)	(1,217,560)
Net (decrease)/increase in cash and cash equivalents		(5,308,965)	2,777,230	(152,431)	977,108
Cash and cash equivalents at beginning of financial year		13,530,890	10,753,660	1,434,880	457,772
Cash and cash equivalents at end of financial year	13(e)	8,221,925	13,530,890	1,282,449	1,434,880

The accompanying notes form an integral part of the financial statements

Statements of Cash Flows

For the Financial Year Ended 31 August 2025

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM	Term loans (Note 17) RM	Total RM
At 1 September 2023	101,523	80,010,774	80,112,297
Cash flows:			
- Payment of lease liabilities	(60,000)	-	(60,000)
- Drawdown of term loans	-	10,680,057	10,680,057
- Repayment of term loans	-	(16,202,976)	(16,202,976)
Non-cash flows:			
- Unwinding of interest	2,793	-	2,793
At 31 August 2024/1 September 2024	44,316	74,487,855	74,532,171
Cash flows:			
- Payment of lease liabilities	(55,000)	-	(55,000)
- Drawdown of term loans	-	2,952,887	2,952,887
- Repayment of term loans	-	(21,391,713)	(21,391,713)
Non-cash flows:			
- Unwinding of interest	2,120	-	2,120
- Recognised during the year	166,205	-	166,205
At 31 August 2025	157,641	56,049,029	56,206,670
Company			
At 1 September 2023	101,523	-	101,523
Cash flows:			
- Payment of lease liabilities	(60,000)	-	(60,000)
Non-cash flows:			
- Unwinding of interest	2,793	-	2,793
At 31 August 2024/1 September 2024	44,316	-	44,316
Cash flows:			
- Payment of lease liabilities	(45,000)	-	(45,000)
Non-cash flows:			
- Unwinding of interest	684	-	684
At 31 August 2025	-	-	-

The accompanying notes form an integral part of the financial statements

Notes to the Financial Statements

31 August 2025

1. CORPORATE INFORMATION

Melati Ehsan Holdings Berhad (“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 and principal place of business of the Company are located at No. 5, Jalan Titiwangsa, 53200 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 August 2025 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 26 November 2025.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly turnkey contractor, property development, trading of construction materials, rental of machineries, money lending business and investment holding. Further details of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 31(a) to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

Melati Ehsan Holdings Berhad and its subsidiaries are principally engaged in investment holding, turnkey construction, property development and trading of construction materials.

The Group has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Construction	turnkey construction
Property development	development of residential and commercial properties
Trading	trading of construction materials

Other operating segments that do not meet the quantitative thresholds of an individual reportable segment comprise mainly operations related to investment holding and money lending business.

The chief operating decision maker of the Group 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 the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Notes to the Financial Statements

31 August 2025

4. OPERATING SEGMENTS (continued)

Geographical Segments

No segmental information is provided on geographical basis as the activities of the Group are conducted wholly in Malaysia.

The following table provides an analysis of revenue, results, assets, liabilities and other information by operating segments of the Group:

2025	Construction RM	Property development RM	Trading RM	Others RM	Total RM
REVENUE					
Total revenue	114,827,594	36,750,791	709,079	1,200,000	153,487,464
Inter-segment revenue	-	-	-	(1,200,000)	(1,200,000)
Revenue from external customers	114,827,594	36,750,791	709,079	-	152,287,464
RESULTS					
Segment results	4,169,939	215,386	1,099,124	(734,683)	4,749,766
Finance costs	-	(2,102,282)	-	(684)	(2,102,966)
Interest income	68,418	155,569	-	7,457	231,444
Profit before tax	4,238,357	(1,731,327)	1,099,124	(727,910)	2,878,244
Tax expense	(1,091,252)	(662,776)	(4,718)	(112)	(1,758,858)
ASSETS					
Segment assets	239,896,527	228,774,313	716,385	22,012,770	491,399,995
LIABILITIES					
Segment liabilities	163,857,317	75,281,410	7,000	147,632	239,293,359
OTHER INFORMATION					
Additions to non-current assets other than financial instruments and deferred tax assets	65,348	2,441,843	-	-	2,507,191
Depreciation of property, plant and equipment	(238,584)	(76,849)	-	-	(315,433)
Depreciation of right-of-use assets	-	(105,449)	-	(40,465)	(145,914)
Impairment losses on:					
- trade receivables	(2,238,199)	-	-	-	(2,238,199)
- contract assets	-	(401,973)	-	-	(401,973)
Reversal of impairment losses on:					
- trade receivables	243,498	-	1,083,893	-	1,327,391
- other receivables	8,632	-	-	-	8,632
- contract assets	293,651	-	-	-	293,651
Fair value changes on:					
- trade receivables	(590,163)	-	-	-	(590,163)
- other receivables	(1,730,917)	-	-	-	(1,730,917)
Gain on disposals of property, plant and equipment	-	800	-	-	800
Waiver of debts	292,157	-	-	-	292,157

Notes to the Financial Statements

31 August 2025

4. OPERATING SEGMENTS (continued)

The following table provides an analysis of revenue, results, assets, liabilities and other information by operating segments of the Group (continued):

2024	Construction RM	Property development RM	Trading RM	Others RM	Total RM
REVENUE					
Total revenue	10,479,361	21,272,900	4,512,050	1,500,000	37,764,311
Inter-segment revenue	-	-	-	(1,500,000)	(1,500,000)
Revenue from external customers	10,479,361	21,272,900	4,512,050	-	36,264,311
RESULTS					
Segment results	2,308,084	8,778,992	(933,530)	413,615	10,567,161
Finance costs	-	(874,428)	-	(2,793)	(877,221)
Interest income	216,761	247,628	-	50	464,439
Profit before tax	2,524,845	8,152,192	(933,530)	410,872	10,154,379
Tax expense	(1,706,486)	(224,187)	(26,555)	(118)	(1,957,346)
ASSETS					
Segment assets	158,217,270	210,520,424	4,246,870	26,141,415	399,125,979
LIABILITIES					
Segment liabilities	53,000,142	93,494,989	141,891	232,832	146,869,854
OTHER INFORMATION					
Additions to non-current assets other than financial instruments and deferred tax assets	102,990	3,273,153	-	-	3,376,143
Depreciation of property, plant and equipment	(228,552)	(76,850)	-	-	(305,402)
Depreciation of right-of-use assets	-	(96,214)	-	(53,976)	(150,190)
Impairment losses on:					
- trade receivables	(151,660)	-	(1,044,557)	-	(1,196,217)
- other receivables	(70,302)	(1,527,355)	-	-	(1,597,657)
- contract assets	(24,513)	(138,852)	-	-	(163,365)
Reversal of impairment losses on:					
- trade receivables	6,285,158	-	-	-	6,285,158
Fair value changes on other receivables	-	8,500,000	-	1,323,717	9,823,717
Gain on disposals of property, plant and equipment	27,850	-	-	-	27,850

Notes to the Financial Statements

31 August 2025

4. OPERATING SEGMENTS (continued)

Major Customers

Revenue from transactions with major customers who individually accounted for 10% or more of the Group's revenue are as follows:

	Revenue		Segment
	2025 RM	2024 RM	
Customer A	15,120,248	7,309,591	Construction
Customer B	98,110,046	-	Construction
Customer C	-	3,846,501	Trading
Customer D	36,750,791	21,272,900	Property Development

5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance at 1.9.2024 RM	Additions RM	Disposal RM	Balance at 31.8.2025 RM
Cost				
Building	3,680,000	-	-	3,680,000
Computers	367,024	57,594	-	424,618
Office equipment	262,830	7,754	-	270,584
Furniture and fittings	143,915	-	-	143,915
Motor vehicles	2,740,880	-	(26,536)	2,714,344
	7,194,649	65,348	(26,536)	7,233,461

	Balance at 1.9.2024 RM	Charge for the financial year RM	Disposal RM	Balance at 31.8.2025 RM
Accumulated depreciation				
Building	588,800	73,600	-	662,400
Computers	339,199	24,666	-	363,865
Office equipment	153,308	22,518	-	175,826
Furniture and fittings	131,674	3,560	-	135,234
Motor vehicles	2,242,110	191,089	(26,536)	2,406,663
	3,455,091	315,433	(26,536)	3,743,988

Group	Balance at 1.9.2023 RM	Additions RM	Disposal RM	Write off RM	Balance at 31.8.2024 RM
Cost					
Building	3,680,000	-	-	-	3,680,000
Computers	337,351	29,673	-	-	367,024
Office equipment	199,413	63,417	-	-	262,830
Furniture and fittings	143,915	-	-	-	143,915
Motor vehicles	3,141,306	9,900	(410,326)	-	2,740,880
Plant and machinery	2,565,000	-	-	(2,565,000)	-
	10,066,985	102,990	(410,326)	(2,565,000)	7,194,649

Notes to the Financial Statements

31 August 2025

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Balance at 1.9.2023 RM	Charge for the financial year RM	Disposal RM	Write off RM	Balance at 31.8.2024 RM
Accumulated depreciation					
Building	515,200	73,600	-	-	588,800
Computers	326,540	12,659	-	-	339,199
Office equipment	131,386	21,922	-	-	153,308
Furniture and fittings	128,113	3,561	-	-	131,674
Motor vehicles	2,457,826	193,660	(409,376)	-	2,242,110
Plant and machinery	2,565,000	-	-	(2,565,000)	-
	6,124,065	305,402	(409,376)	(2,565,000)	3,455,091

	Group	
	2025 RM	2024 RM
Carrying amount		
Building	3,017,600	3,091,200
Computers	60,753	27,825
Office equipment	94,758	109,522
Furniture and fittings	8,681	12,241
Motor vehicles	307,681	498,770
	3,489,473	3,739,558

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal annual depreciation rates are as follows:

Building	2%
Computers	20% - 25%
Office equipment	10% - 15%
Furniture and fittings	10%
Motor vehicles	10%
Plant and machinery	20%

- (b) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2025 RM	2024 RM
Cash payments on purchase of property, plant and equipment	65,348	102,990

Notes to the Financial Statements

31 August 2025

6. RIGHT-OF-USE ASSETS AND LEASES LIABILITIES

The Group as lessee

Right-of-use assets	Balance at 1.9.2024 RM	Addition RM	Depreciation RM	Balance at 31.8.2025 RM
Carrying amount				
Land and building	521,537	166,205	(145,914)	541,828

Right-of-use assets	Balance at 1.9.2023 RM	Addition RM	Depreciation RM	Balance at 31.8.2024 RM
Carrying amount				
Land and building	671,727	-	(150,190)	521,537

Lease liabilities	Balance at 1.9.2024 RM	Addition RM	Lease payments RM	Interest expense RM	Balance at 31.8.2025 RM
Carrying amount					
Land and building	44,316	166,205	(55,000)	2,120	157,641

Lease liabilities	Balance at 1.9.2023 RM	Addition RM	Lease payments RM	Interest expense RM	Balance at 31.8.2024 RM
Carrying amount					
Land and building	101,523	-	(60,000)	2,793	44,316

Represented by:

	Group	
	2025 RM	2024 RM
Current liabilities	52,987	44,316
Non-current liabilities	104,654	-
	157,641	44,316
Lease liabilities owing to non-financial institutions	157,641	44,316

The Company as lessee

Right-of-use asset	Balance at 1.9.2024 RM	Addition RM	Depreciation RM	Balance at 31.8.2025 RM
Carrying amount				
Building	40,465	-	(40,465)	-

Right-of-use asset	Balance at 1.9.2023 RM	Addition RM	Depreciation RM	Balance at 31.8.2024 RM
Carrying amount				
Building	94,441	-	(53,976)	40,465

Notes to the Financial Statements

31 August 2025

6. RIGHT-OF-USE ASSETS AND LEASES LIABILITIES (continued)

The Company as lessee (continued)

Lease liability	Balance at 1.9.2024 RM	Addition RM	Lease payments RM	Interest expense RM	Balance at 31.8.2025 RM
Carrying amount					
Building	44,316	-	(45,000)	684	-

Lease liability	Balance at 1.9.2023 RM	Addition RM	Lease payments RM	Interest expense RM	Balance at 31.8.2024 RM
Carrying amount					
Building	101,523	-	(60,000)	2,793	44,316

Represented by:

	Company	
	2025 RM	2024 RM
Current liability	-	44,316
Lease liability owing to non-financial institution	-	44,316

- (a) The Group and the Company recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group and the Company determines the lease term as the non-cancellable period of a lease, together with both:

- (i) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- (ii) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group and the Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group and the Company revises the lease term if there is a change in the non-cancellable period of a lease.

The Group and the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group and the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

31 August 2025

6. RIGHT-OF-USE ASSETS AND LEASES LIABILITIES (continued)

(b) The right-of-use assets are initially recorded at cost, which comprises.

- (i) the amount of the initial measurement of the lease liability;
- (ii) any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- (iii) any initial direct costs incurred by the Company; and
- (iv) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

(c) The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Office Building 3 - 7 years

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Depreciation charge of right-of-use assets	145,914	150,190	40,465	53,976
Interest expense on lease liabilities	2,120	2,793	684	2,793
	148,034	152,983	41,149	56,769

(e) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and of the Company:

Group	Weighted average incremental borrowing rate per annum %	Within	1 - 2	2 - 3	Total RM
		1 year RM	years RM	years RM	
2025					
Lease liabilities					
Fixed rates	5.25	52,987	55,837	48,817	157,641
2024					
Lease liabilities					
Fixed rates	3.70	44,316	-	-	44,316
Company					
2024					
Lease liabilities					
Fixed rates	3.70	44,316	-	-	44,316

Notes to the Financial Statements

31 August 2025

6. RIGHT-OF-USE ASSETS AND LEASES LIABILITIES (continued)

(f) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within one year RM	One to five years RM	Total RM
Group 2025			
Lease liabilities	60,000	110,000	170,000
2024			
Lease liabilities	45,000	-	45,000
Company 2024			
Lease liabilities	45,000	-	45,000

7. INVENTORIES

	Note	Group 2025 RM	2024 RM
Non-current			
Land held for property development	7(a)	133,739,835	131,285,821
Current			
Property development costs	7(b)	55,516,972	62,934,147
Completed properties held for sale	7(c)	1,960,873	363,450
		57,477,845	63,297,597

(a) Land held for property development

Group	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
At cost				
Balance as at 1 September 2023	10,612,290	98,530,177	18,870,201	128,012,668
Additions	-	-	3,273,153	3,273,153
Balance as at 31 August 2024/ 1 September 2024	10,612,290	98,530,177	22,143,354	131,285,821
Additions	-	-	2,454,014	2,454,014
Balance as at 31 August 2025	10,612,290	98,530,177	24,597,368	133,739,835

Notes to the Financial Statements

31 August 2025

7. INVENTORIES (continued)

(a) Land held for property development (continued)

	Note	Group	
		2025 RM	2024 RM
Carrying amount of land held for property development charged as security for borrowings	17(a),17(b)	80,416,581	78,386,465

- (i) Land held for property development is stated at lower of cost and net realisable value. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.
- (ii) Leasehold land represents costs incurred as a consequence of having used the right-of-use asset to produce inventories in accordance with MFRS 102 Inventories.
- (iii) Interest expense capitalised under land held for development of the Group amounted to RM1,662,040 (2024: RM2,240,443) at interest rates ranging from 5.00% to 6.67% (2024: 5.25% to 6.67%).

(b) Property development costs

Group	Note	Freehold land RM	Leasehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
Balance as at						
1 September 2023		10,479,640	25,731,548	71,749,958	(58,756,329)	49,204,817
Additions		-	-	27,854,762	-	27,854,762
Recognised during the year	21	-	-	-	(14,125,432)	(14,125,432)
Balance as at 31 August 2024/ 1 September 2024		10,479,640	25,731,548	99,604,720	(72,881,761)	62,934,147
Net of additions		-	-	23,465,569	-	23,465,569
Recognised during the year	21	-	-	-	(29,285,321)	(29,285,321)
Reversal of completed projects		(10,255,486)	-	(62,829,842)	73,085,328	-
Transferred to completed properties	7(c)	(224,154)	-	(1,373,269)	-	(1,597,423)
Balance as at 31 August 2025		-	25,731,548	58,867,178	(29,081,754)	55,516,972

	Note	Group	
		2025 RM	2024 RM
Carrying amount of property development cost charged as security for borrowings	17(a)	55,516,972	58,067,962

Property development costs are stated at the lower of costs and net realisable value. The portion of property development costs where significant development work has been undertaken and which is expected to be completed within the normal operating cycle is considered as a current asset.

The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed properties held for sale once the development is completed.

Notes to the Financial Statements

31 August 2025

7. INVENTORIES (continued)

(c) Completed properties held for sale

	Note	Group	
		2025 RM	2024 RM
At cost			
Balance as at 1 September		363,450	363,450
Transferred from property development costs	7(b)	1,597,423	-
Balance as at 31 August		<u>1,960,873</u>	<u>363,450</u>

- (i) Completed properties held for sale are stated at the lower of cost and net realisable value.
- (ii) Completed properties held for sale consist of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion.

8. INVESTMENTS IN SUBSIDIARIES

	Note	Company	
		2025 RM	2024 RM
Unquoted equity shares, at cost		59,247,719	59,247,719
Equity loans		117,400,000	117,400,000
		<u>176,647,719</u>	<u>176,647,719</u>
Less: Impairment losses			
- Unquoted equity shares	8(d)	(173,122)	(121,192)
- Equity loans	8(e)	(630,712)	(940,992)
		<u>175,843,885</u>	<u>175,585,535</u>

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.
- (b) Equity loans represent non-trade loan granted by the Company to subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future and is intended to provide the subsidiary with a long-term source of additional capital. It is, in substance, an addition to the Company's investment in the subsidiary.
- (c) The details of the subsidiaries are as follows:

Name of Company	Place of Principal place of business	Equity interest		Principal activities
		2025 %	2024 %	
Asas Jiwa Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Bayu Melati Sdn. Bhd.	Malaysia	100	100	Turnkey contractor and property development
Bayu Setia Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Melati Ehsan Capital Sdn. Bhd.	Malaysia	100	100	Money lending business
Melati Ehsan Consolidated Sdn. Bhd.	Malaysia	100	100	Property development and turnkey contractor
Melati Ehsan Trading Sdn. Bhd.	Malaysia	100	100	Trading of construction materials and rental of machineries
Pembinaan Kery Sdn. Bhd.	Malaysia	100	100	Turnkey contractor and property development

All the subsidiaries are audited by BDO PLT.

Notes to the Financial Statements

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8. INVESTMENTS IN SUBSIDIARIES (continued)

- (d) The Company has assessed whether there are any indications of impairment during the year. In doing this, management considered the current environment and performance of the subsidiaries as impairment indications.

At the reporting date, the Company conducted an impairment review of its interests in certain subsidiaries, principally based on the Company's share of net assets in these subsidiaries, which represents the Directors' estimation of the fair value less costs to sell off these subsidiaries.

The reconciliation of movements in the impairment losses of investments in subsidiaries is as follows:

Company	2025 RM	2024 RM
At beginning of financial year	121,192	135,364
Charge for the financial year	51,930	-
Reversal for the financial year	-	(14,172)
At end of financial year	173,122	121,192

Impairment loss charge for the financial year and reversal of impairment loss in prior year on investments in subsidiaries amounted to RM51,930 (2024: RM14,172) had been recognised as a result of lower recoverable amount as compared to the carrying amount of the investments due to slowing business operations.

- (e) Impairment for equity loans to subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 11(c)(v) to the financial statements.

The reconciliation of movements in the impairment losses of equity loans to subsidiaries is as follows:

Company	12-month ECL	
	2025 RM	2024 RM
At beginning of financial year	940,992	46,432
Charge for the financial year	-	894,560
Reversal for the financial year	(310,280)	-
At end of financial year	630,712	940,992

9. GOODWILL ON CONSOLIDATION

	Group	
	2025 RM	2024 RM
Cost		
At 1 September/31 August	506,455	506,455
Accumulated impairment losses		
At 1 September/31 August	(506,455)	(506,455)
Carrying amount		
At 31 August	-	-

Notes to the Financial Statements

31 August 2025

9. GOODWILL ON CONSOLIDATION (continued)

- (a) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.
- (b) Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit (“CGU”) that is expected to benefit from the business combination. The carrying amount of goodwill had been allocated to the construction division.
- (c) The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU was determined using the value-in-use basis, involving cash flow projections calculations derived from the most recent financial budgets approved by management covering a five-year period.

- (d) The Group had fully impaired the goodwill arising on consolidation. The goodwill was related to certain subsidiaries in construction division. As there were no construction activities expected from these subsidiaries in the foreseeable future, the related goodwill had been impaired accordingly.

10. DEFERRED TAX

- (a) The deferred tax assets and liabilities are made up of the following:

		Group	
	Note	2025 RM	2024 RM
At beginning of financial year		13,362	8,599
Recognised in profit or loss	23	(6,530)	4,763
At end of financial year		6,832	13,362

Presented after appropriate offsetting:

		Group	
		2025 RM	2024 RM
Deferred tax assets, net		(17,000)	(17,000)
Deferred tax liabilities, net		23,832	30,362
		6,832	13,362

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Others RM	Total RM
At 1 September 2023/At 31 August 2024/ At 1 September 2024/At 31 August 2025	(17,000)	(17,000)

Notes to the Financial Statements

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10. DEFERRED TAX (continued)

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (continued)

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Total RM
At 1 September 2023	25,599	25,599
Recognised in profit or loss	4,763	4,763
At 31 August 2024/1 September 2024	30,362	30,362
Recognised in profit or loss	(6,530)	(6,530)
At 31 August 2025	23,832	23,832

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

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the consolidated statement of financial position are as follows:

	Group	
	2025 RM	2024 RM
Unused tax losses		
- Expires by 31 August 2028	5,470,058	5,470,058
- Expires by 31 August 2029	1,396,303	1,396,303
- Expires by 31 August 2030	684,028	684,028
- Expires by 31 August 2031	1,653	1,653
- Expires by 31 August 2032	4,569	4,569
- Expires by 31 August 2033	3,684	3,684
- Expires by 31 August 2034	21,147	21,147
- Expires by 31 August 2035	428,964	-
	8,010,406	7,581,442

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

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11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current assets				
Trade receivable				
Related party	5,476,836	-	-	-
Less: Impairment losses	(169,798)	-	-	-
	5,307,038	-	-	-
Other receivable				
Related party	91,926,766	93,500,000	-	-
Total receivables (non-current)	97,233,804	93,500,000	-	-
Current assets				
Trade receivables				
Third parties	22,704,715	23,153,104	-	-
Related parties	112,726,457	17,493,736	-	-
	135,431,172	40,646,840	-	-
Less: Impairment losses				
- Third parties	(285,462)	(1,594,148)	-	-
- Related parties	(2,996,221)	(946,525)	-	-
	(3,281,683)	(2,540,673)	-	-
Total trade receivables	132,149,489	38,106,167	-	-
Other receivables				
Amounts owing by subsidiaries	-	-	27,495,950	24,252,440
Deposits	3,465,937	13,532,847	-	15,000
Third parties	22,842,637	27,548,497	20,639,137	24,546,821
	26,308,574	41,081,344	48,135,087	48,814,261
Less: Impairment loss				
- Third parties	(1,589,025)	(1,597,657)	-	-
- Amounts owing by subsidiaries	-	-	(665,210)	(203,527)
	24,719,549	39,483,687	47,469,877	48,610,734
Total receivables (current)	156,869,038	77,589,854	47,469,877	48,610,734
Prepayments	7,802,360	2,397,383	6,000	-
	164,671,398	79,987,237	47,475,877	48,610,734
Total trade and other receivables (current & non-current)	261,905,202	173,487,237	47,475,877	48,610,734

- (a) Total trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised costs except for a non-current other receivable amounted to RM91,926,766 (2024: RM93,500,000) which is measured at fair value through profit or loss.

Notes to the Financial Statements

31 August 2025

11. TRADE AND OTHER RECEIVABLES (continued)

(b) Trade receivables

(i) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 14 to 180 days (2024: 14 to 180 days). However, extension of the credit period is assessed and approved on a case by case basis. They are recognised at their original invoiced amounts, which represent their fair value on initial recognition.

(ii) Included in trade receivables of the Group are retention sums for contract works. The retention sums are unsecured, interest free and expected to be collected as follows:

	Group	
	2025	2024
	RM	RM
Within one (1) year	21,678,930	10,321,039

(iii) Included in trade receivables are amounts of RM109,730,236 (2024: RM16,547,211) owing by related parties net of impairment, which are unsecured, interest free and subject to normal trade terms except for an amount owing from related party of RM5,307,038 (2024: Nil) which is unsecured, interest free and receivable after twelve (12) months in cash and cash equivalents.

(iv) Impairment for trade receivables and contract assets that do not contain a significant financing component is recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses ("ECL").

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables and contract assets is determined using historical data and forward looking i.e. non-performing loans in estimating future cash flows and the lifetime expected credit loss for the trade receivables is assessed individually. Lifetime expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows for the Group and the Company expect to receive over the lifetime of financial instrument. The Group also uses an allowance matrix to measure the expected credit loss of trade receivables arising from sales of trading goods. Expected loss rates are calculated using the roll rate method, based on common credit risk characteristics, namely receivables aging status.

For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivables and contract assets would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and contract assets and appropriate forward looking information in assessing the expected credit loss allowance.

The reconciliation of movements in the impairment losses of trade receivables is as follows:

	Lifetime ECL allowance	
	2025	2024
Group	RM	RM
At beginning of financial year	2,540,673	7,629,614
Charge for the financial year	2,238,199	1,196,217
Reversal during the financial year	(1,327,391)	(6,285,158)
At end of financial year	3,451,481	2,540,673

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments as at the end of the reporting period.

Notes to the Financial Statements

31 August 2025

11. TRADE AND OTHER RECEIVABLES (continued)

(b) Trade receivables (continued)

(v) Lifetime expected loss provision for trade receivables of the Group is as follows:

Group 2025	Gross RM	Loss allowance RM	Total RM
Individually assessed			
Current	80,053,933	(1,941,013)	78,112,920
1 to 30 days past due	33,605,159	(868,815)	32,736,344
31 to 60 days past due	1,326,673	(27,938)	1,298,735
61 to 90 days past due	518,420	(7,208)	511,212
91 to 120 days past due	322,592	(7,533)	315,059
More than 120 days past due	25,081,231	(598,974)	24,482,257
	60,854,075	(1,510,468)	59,343,607
	140,908,008	(3,451,481)	137,456,527
2024			
Individually assessed			
Current	9,287,479	(282,226)	9,005,253
1 to 30 days past due	456,428	(27,925)	428,503
31 to 60 days past due	33,255	(1,868)	31,387
61 to 90 days past due	516,841	(59,897)	456,944
91 to 120 days past due	442,244	(51,575)	390,669
More than 120 days past due	29,910,593	(2,117,182)	27,793,411
	31,359,361	(2,258,447)	29,100,914
	40,646,840	(2,540,673)	38,106,167

(c) Other receivables

- (i) The non-current other receivable of the Group represents the proceeds receivable from its related party, Mega Legacy (M) Sdn. Bhd. ("MLSB") arising from the conditional Sale and Purchase Agreement ("SPA") and Development Rights Agreement ("DRA") signed on 11 September 2023 on the acquisition of a plot of land at Kiara Bay. Consequently, the transactions resulted in a recognition of the other receivable at fair value through profit or loss based on the higher of minimum guaranteed value of RM93,500,000 or the aggregate land costs and 20% entitlement of the project profit. Thus, a fair value adjustment of RM1,573,234 was recognised during the year. The non-current amount owing from a related party is unsecured, interest free and receivable after twelve (12) months in cash and cash equivalents.
- (ii) Included in other receivables of the Group and of the Company amounting to RM20,639,137 (2024: RM24,546,821) represents the proceeds receivable from the disposal of investment in a joint venture on 27 April 2023. Pursuant to the Share Sale Agreement, the amount is interest free and is expected to be settled by 31 December 2024. The carrying amount is recognised based on its net present value of expected future cash flows discounted at a rate of 6.10% (2024: 5.70%) per annum. An extension was subsequently granted, revising the settlement date to December 2025.
- (iii) Amounts owing by subsidiaries mainly arose from advances and payments made on behalf, which are unsecured, interest free and repayable within next twelve (12) months in cash and cash equivalents.

Notes to the Financial Statements

31 August 2025

11. TRADE AND OTHER RECEIVABLES (continued)

(c) Other receivables (continued)

- (iv) In the previous financial year, included in deposits of the Group is a deposit amounted to RM10,000,000 owing by a related party in respect of initial 10% deposit for a mixed development project on Lot 72699, off Jalan SS 8/6 Kelana Jaya, Petaling Jaya, Daerah Petaling, State of Selangor.
- (v) Impairment for other receivables is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss (“ECL”) model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The probability of non-payment by the other receivables is adjusted by forward looking information as stated in Note 11(b)(iv) to the financial statements and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables.

It requires management to exercise significant judgement in determining the probability of default by other receivables, appropriate forward looking information and significant increase in credit risk.

The reconciliation of movements in the impairment losses of other receivables is as follows:

Group	Lifetime ECL allowance	
	2025	2024
	RM	RM
At beginning of financial year	1,597,657	-
Charge for the financial year	-	1,597,657
Reversal during the financial year	(8,632)	-
At end of financial year	<u>1,589,025</u>	<u>1,597,657</u>

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments as at the end of the reporting period.

The reconciliation of movements in the impairment losses of amounts owing by subsidiaries is as follows:

Company	12-month ECL	
	2025	2024
	RM	RM
At beginning of financial year	203,527	415,838
Charge for the financial year	461,683	-
Reversal during the financial year	-	(212,311)
At end of financial year	<u>665,210</u>	<u>203,527</u>

Notes to the Financial Statements

31 August 2025

11. TRADE AND OTHER RECEIVABLES (continued)

- (d) The Group determines concentration of credit risk by monitoring the industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of each reporting period is as follows:

	Group			
	2025		2024	
	RM	% of total	RM	% of total
By industry sectors				
Construction	124,713,322	90.73	25,310,988	66.42
Property development	12,532,213	9.12	8,904,002	23.37
Trading	210,992	0.15	3,891,177	10.21
	137,456,527	100.00	38,106,167	100.00

At the end of each reporting period:

- (i) 75% (2024: 65%) of the Group's trade receivables are due from two (2) (2024: three (3)) major customers while 75% (2024: 43%) are due from related parties.
- (ii) 57% (2024: 50%) of the Company's other receivables are amounts owing by subsidiaries.

Credit risk arising from subsidiaries

The amounts owing by subsidiaries are monitored closely by the Company and the management is of the view that the carrying amount is fully recoverable.

- (e) Trade and other receivables are denominated in RM.

As at the end of each reporting period, the credit risks exposures and collateral relating to trade receivables of the Group are summarised in the table below:

Group	Maximum exposure RM	Collateral obtained RM	Net exposure RM
2025			
Construction	124,737,094	-	124,737,094
Property development	12,508,441	(12,387,446)	120,995
Trading	210,992	-	210,992
	137,456,527	(12,387,446)	125,069,081
2024			
Construction	25,310,988	-	25,310,988
Property development	8,904,002	(8,904,002)	-
Trading	3,891,177	-	3,891,177
	38,106,167	(8,904,002)	29,202,165

The above collaterals are letters of undertaking from financial institutions for properties sold.

Notes to the Financial Statements

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11. TRADE AND OTHER RECEIVABLES (continued)

- (e) Trade and other receivables are denominated in RM. (continued)

Credit risk arising from construction contracts

The Group seek to control credit risk by dealing with counterparties with appropriate credit histories. Customers' most recent financial statements, payment history and other relevant information are considered in the determination of credit risk. Counterparties are assessed at least annually and more frequently when information on significant changes in their financial position becomes known.

Credit risk arising from trading

Credit risk arising from outstanding receivables from customer is minimised by closely monitoring the limit of the Group to business partners and their credit worthiness.

Credit risk arising from property development

The Group do not have significant credit risk from their services and their products are predominantly rendered and sold to a large number of property purchasers with financing facilities from reputable banks with high quality external credit rating. The credit risks from property purchasers are also limited as the legal title of the property sold remain with the Group until the purchase consideration are fully paid.

Credit risk arising from other receivables

Credit risk arising from other receivables is limited due to the large number of receivables. The historical experience in collection of other receivables fall within the recorded allowances. No additional credit risk beyond amounts allowed for collection losses is inherent in the other receivables.

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025	2024
	RM	RM
Contract assets		
Construction contracts	3,047,391	6,667,550
Property development	19,493,885	2,301,487
	22,541,276	8,969,037
Contract liabilities		
Construction contracts	(5,933)	(5,933)
Property development	(51,894)	(3,000)
	(57,827)	(8,933)
	22,483,449	8,960,104

- (a) Contract assets are the rights to considerations for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue recognised over the billings to date. Contract assets are stated at cost less accumulated impairment.

Contract liabilities are the obligations to transfer goods or services to customer for which the Group has received the consideration in advance or has billed the customers. In the case of property development and construction contracts, contract liabilities are the excess of the billings to date over the cumulative revenue recognised.

Notes to the Financial Statements

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12. CONTRACT ASSETS/(LIABILITIES) (continued)

(b) Contract assets/(liabilities)

	Group	
	2025	2024
	RM	RM
Contract assets/(liabilities) from construction contracts		
Construction contract costs incurred to date	566,864,673	669,164,784
Less: Impairment losses	(87,743)	(381,394)
Add: Attributable profits	85,456,710	79,372,144
Elimination due to completion of projects during the financial year	(17,568,965)	(211,043,140)
	634,664,675	537,112,394
Less: Progress billings	(649,192,182)	(741,493,917)
Elimination due to completion of projects during the financial year	17,568,965	211,043,140
	3,041,458	6,661,617
Contract assets/(liabilities) from property development		
At beginning of financial year	2,298,487	(2,928,986)
Revenue recognised during the financial year	36,750,791	21,272,900
Less: Progress billings during the financial year	(19,066,462)	(15,906,575)
Less: Impairment loss during the year	(540,825)	(138,852)
At end of financial year	19,441,991	2,298,487

(c) Contract assets/(liabilities) from construction contracts and property development

- (i) In the previous financial year, the amount of RM2,928,986 recognised in contract liabilities at the beginning of the financial year had been recognised as revenue by the Group for the financial year ended 31 August 2024.
- (ii) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group	
	2025	2024
	RM	RM
Within one (1) year	312,730,198	69,747,966
Between one (1) year and five (5) years	305,157,196	46,656,463

- (d) Impairment for contract assets that do not contain a significant financing component is recognised based on the simplified approach within MFRS 9 using the lifetime expected credit loss model as disclosed in Note 11(b)(iv) to the financial statements.

The reconciliation of movements in the impairment losses of contract assets is as follows:

	Group	
	Lifetime ECL allowance	
	2025	2024
	RM	RM
At beginning of financial year	520,246	356,881
Charge for the financial year	133,284	163,365
Reversal during the financial year	(24,962)	-
At end of financial year	628,568	520,246

- (e) Contract assets and contract liabilities are denominated in RM.

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13. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	7,871,896	12,130,841	1,282,449	34,830
Fixed deposits with licensed banks	2,767,166	3,795,040	-	1,400,050
	10,639,062	15,925,881	1,282,449	1,434,880

- (a) Cash and bank balances including fixed deposits with licensed banks are classified as financial assets measured at amortised cost.
- (b) Fixed deposits of the Group and of the Company have maturity periods ranging from 1 to 90 (2024: 1 to 31) days with weighted average effective interest rate of 1.73% (2024: 1.87%) per annum respectively.
- (c) Included in fixed deposits of the Group is an amount of RM2,417,137 (2024: RM2,394,991) pledged to a licensed bank as security for credit facilities granted to a subsidiary.
- (d) As at the end of the financial year, included in the cash and bank balances of the Group is an amount of RM1,755,359 (2024: RM760,432) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 (as amended by the Housing Development (Housing Development Account) (Amendment) Regulations, 2015). The utilisation of this balance is restricted. Before completion of the housing development and fulfilling all relevant obligations to the purchasers, the cash can only be withdrawn from such account for the purpose of completing the particular projects concerned.
- (e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	10,639,062	15,925,881	1,282,449	1,434,880
Less:				
Fixed deposits pledged with licensed banks	(2,417,137)	(2,394,991)	-	-
	8,221,925	13,530,890	1,282,449	1,434,880

- (f) At the end of the reporting period, the interest rate profile of the cash and bank balances was:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed rates	2,767,166	3,795,040	-	1,400,050

Sensitivity analysis for fixed rate cash and bank balances at the end of the reporting period is not presented as it is not affected by changes in interest rates.

- (g) No expected credit losses were recognised arising from cash at banks and fixed deposits with licensed banks because the probability of default by these financial institutions were negligible.
- (h) Cash and bank balances are denominated in RM.

Notes to the Financial Statements

31 August 2025

14. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of shares	RM	Number of shares	RM
Issued and fully paid ordinary shares with no par value				
At beginning/end of financial year	120,000,434	79,830,481	120,000,434	79,830,481

(a) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

(b) At the end of the reporting period, the number of outstanding shares in issue after setting off against treasury shares is 115,553,734 (2024: 115,756,034).

15. TREASURY SHARES

The shareholders of the Group and the Company, by an ordinary resolution passed at the Annual General Meeting held on 26 February 2025, approved the Company's plan to repurchase up to 10% of the issued and paid-up ordinary share capital of the Company. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believed that the purchase plan is applied in the best interest of the Company and its shareholders.

As at 31 August 2025, the Company held a total of 4,446,700 (2024: 4,244,400) of its 120,000,434 (2024: 120,000,434) issued ordinary share capital as treasury shares. Such treasury shares are being held at a carrying amount of RM2,519,301 (2024: RM2,406,916).

During the financial year, the Company repurchased 202,300 of its issued share capital from the open market at an overall average price of RM0.56 per ordinary share. The total consideration including transaction costs was RM112,385. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

16. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable				
Reverse acquisition debit	(34,450,921)	(34,450,921)	-	-
Distributable				
Retained earnings	209,246,377	209,283,481	126,481,787	127,366,406
	174,795,456	174,832,560	126,481,787	127,366,406

Reverse acquisition debit arose from the reverse acquisition of the Company by Bayu Melati Sdn. Bhd. ("BMSB") in 2007, as follows:

	Group RM
Paid-up share capital of the Company immediately before reverse acquisition	2
Shares issued by the Company to acquire BMSB	34,450,919
Adjustment taken to reverse acquisition debit	34,450,921

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17. BORROWINGS

	Group	
	2025 RM	2024 RM
Non-current liabilities		
Secured:		
Term loans	30,410,970	56,805,180
Current liabilities		
Secured:		
Term loans	25,638,059	17,682,675
	56,049,029	74,487,855

		Group	
	Note	2025 RM	2024 RM
Term loan - I	(a)	34,708,320	49,583,328
Term loan - II	(a)	1,656,013	2,735,186
Term loan - III	(b)	9,905,332	11,489,284
Term loan - IV	(a)	9,779,364	10,680,057
		56,049,029	74,487,855

- (a) Term loans I, II and IV bear interest at rates of 5.25%, 6.42% and 6.05% (2024: 5.55%, 6.67% and 6.05%) per annum respectively and repayable over 72, 60 and 12 months instalments respectively by a subsidiary, Bayu Melati Sdn. Bhd.. These term loans are secured by way of a charge of certain land held for property development as disclosed in Notes 7(a) and 7(b) to the financial statements and corporate guarantee given by the Company. These term loans facilities from a financial institution is for the purpose of financing the land cost, land premium and development costs of a property development project.
- (b) Term loan III bears interest at 5.00% (2024: 5.25%) per annum with repayment commencing on August 2024, with monthly instalment RM190,874 and repayable over 72 months from the date of full disbursement of the term loan. This term loan is secured by way of a charge of certain land held for property development as disclosed in Note 7(a) to the financial statements and corporate guarantee given by the Company.
- (c) Borrowings are classified as financial liabilities measured at amortised cost.
- (d) Fair value of borrowings

The carrying amount of the term loan is reasonable approximation of fair values due to that they are floating rate instruments that are re-priced to market interest rate on or near to the reporting period.

- (e) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group that are exposed to interest rate risk:

Group	Weighted average effective interest rate per annum %	Within one (1) year RM	Within one (1) to five (5) years RM	Over five (5) years RM	Total RM
2025					
Term loans					
Floating rates	5.68	25,638,059	30,410,970	-	56,049,029
2024					
Term loans					
Floating rates	5.62	17,682,675	54,940,664	1,864,516	74,487,855

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17. BORROWINGS (continued)

- (f) Sensitivity analysis for the floating rate borrowings as at the end of the reporting period, assuming all other variables remain constant is as follow:

	Group	
	2025 RM	2024 RM
Effects of 100 basis points changes to profit after tax and equity		
- Increase by 1.0% (2024: 1.0%)	(425,973)	(566,108)
- Decrease by 1.0% (2024: 1.0%)	425,973	566,108

- (g) The table below summarises the maturity profile of the borrowings as at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
2025				
Term loans	28,077,050	31,993,474	-	60,070,524
2024				
Term loans	21,411,997	59,180,060	1,909,557	82,501,614

- (h) Borrowings are denominated in RM.

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	168,866,609	68,323,016	-	-
Other payables				
Amounts owing to subsidiaries	-	-	20,740,000	20,740,000
Deposits received	104,727	98,381	-	-
Third parties	12,671,604	946,284	30,632	64,515
Accruals	1,362,090	2,930,707	110,000	122,000
	14,138,421	3,975,372	20,880,632	20,926,515
	183,005,030	72,298,388	20,880,632	20,926,515

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables
- (i) Trade payables arose from trade purchases and on-going work-in-progress. The credit period granted to the Group ranges from 30 to 90 (2024: 30 to 90) days from date of invoice whereas retention sums are payable upon expiry of the defect liability periods.
- (ii) Included in trade payables of the Group are retention sums for contract works amounting to RM30,588,261 (2024: RM19,942,678).

Notes to the Financial Statements

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18. TRADE AND OTHER PAYABLES (continued)

- (c) Other payables
- (i) Other payables comprise mainly advances received from contract customers and accruals made in respect of construction costs incurred.
- (ii) Amounts owing to subsidiaries mainly arose from advances received and payments made on behalf, which are unsecured, interest free and payable within next twelve (12) months in cash and cash equivalents.
- (d) The maturity profile of the trade and other payables of the Group and of the Company at the end of reporting period based on contractual undiscounted repayment obligations are payable on demand or within one (1) year.
- (e) Trade and other payables are denominated in RM.

19. COMMITMENTS

(a) Operating lease agreements

The Group as lessor

The following table sets out a maturity analysis for operating lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2025 RM	2024 RM
Less than one (1) year	140,000	20,000
Less than five (5) years	190,000	-
	330,000	20,000

20. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers				
Construction contracts	114,827,594	10,479,361	-	-
Sale of trading inventories	709,079	4,512,050	-	-
Sale of completed properties	7,764,585	-	-	-
Sale of properties under development	28,986,206	21,272,900	-	-
	152,287,464	36,264,311	-	-
Other revenue				
Dividend income from a subsidiary	-	-	1,200,000	1,500,000
	152,287,464	36,264,311	1,200,000	1,500,000
Timing of revenue recognition				
At point in time	8,473,664	4,512,050	-	-
Over time	143,813,800	31,752,261	-	-
	152,287,464	36,264,311	-	-

The revenue of the Group and of the Company are derived entirely in Malaysia.

Notes to the Financial Statements

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20. REVENUE (continued)

(a) Revenue from property development and construction contracts

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development and construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the property development cost and construction contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers and transaction price allocation in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices are determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

(b) Sale of trading inventories

Revenue from sale of trading inventories is recognised at a point in time when the products have been transferred to the customer and coincides with the delivery of products and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of trading inventories.

There is no significant financing component in the revenue arising from sale of trading inventories as the sales is made on the normal credit terms not exceeding twelve months.

(c) Sale of completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

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21. COST OF SALES

	Note	Group	
		2025 RM	2024 RM
Construction contracts costs		100,465,668	7,782,005
Purchase of trading inventories		677,219	4,390,718
Property development costs	7(b)	29,285,321	14,125,432
		<u>130,428,208</u>	<u>26,298,155</u>

22. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Auditors' remuneration:				
- statutory audit	148,000	138,000	36,000	36,000
- other services	6,000	6,000	4,000	4,000
Fair value changes on:				
- trade receivable	590,163	-	-	-
- other receivables	1,730,917	-	157,683	-
Finance costs:				
- lease liabilities	2,120	2,793	684	2,793
- term loans	2,100,846	874,428	-	-
Impairment losses on investment of subsidiaries	-	-	51,930	-
Rental expense	5,000	-	5,000	-
And crediting:				
Fair value change on other receivables	-	9,823,717	-	1,323,717
Gain on disposals of property, plant and equipment	800	27,850	-	-
Interest income from fixed deposits	231,444	464,439	7,457	50
Rental income	402,200	274,560	-	-
Waiver of debts	292,157	-	-	-

(a) Interest income is recognised as it accrues, using the effective interest method.

(b) Rental income is recognised on straight-line basis over the period of tenancy.

Notes to the Financial Statements

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22. PROFIT BEFORE TAX (continued)

- (c) Net (reversal of impairment losses)/impairment losses on financial and contract assets recognised in profit or loss were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Impairment losses on:				
- trade receivables	2,238,199	1,196,217	-	-
- other receivables	-	1,597,657	-	-
- contract assets	133,284	163,365	-	-
- equity loans	-	-	-	894,560
- amounts owing by subsidiaries	-	-	461,683	-
	2,371,483	2,957,239	461,683	894,560
Reversal of impairment losses on:				
- trade receivables	(1,327,391)	(6,285,158)	-	-
- other receivables	(8,632)	-	-	-
- contract assets	(24,962)	-	-	-
- equity loans	-	-	(310,280)	-
- amounts owing by subsidiaries	-	-	-	(212,311)
	(1,360,985)	(6,285,158)	(310,280)	(212,311)
Net impairment losses/ (reversal of impairment losses) on financial and contract assets	1,010,498	(3,327,919)	151,403	682,249

23. TAX EXPENSE

Note	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on profit for the financial year	1,857,000	1,728,000	-	-
(Over)/Under provision in prior years	(91,612)	224,583	112	118
	1,765,388	1,952,583	112	118
Deferred tax:				
Relating to origination and reversal of temporary differences	(9,755)	(9,195)	-	-
Under provision in prior years	3,225	13,958	-	-
10	(6,530)	4,763	-	-
	1,758,858	1,957,346	112	118

Notes to the Financial Statements

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23. TAX EXPENSE (continued)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated taxable profit for the fiscal year.
- (b) Numerical reconciliation of tax expense applicable to profit before tax at the applicable statutory tax rate to the tax expense at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	2,878,244	10,154,379	271,983	1,250,951
Tax at Malaysian statutory rate at 24% (2024: 24%)	690,779	2,437,051	65,276	300,228
Tax effects in respect of:				
Deferred tax assets not recognised	-	6,224	-	-
Utilisation of deferred tax asset not recognised in prior years	102,951	-	-	-
Non-allowable expenses	1,746,265	1,286,093	222,724	431,821
Non-taxable income	(692,750)	(2,010,563)	(288,000)	(732,049)
	1,847,245	1,718,805	-	-
(Over)/Under provision in prior years:				
- Income tax	(91,612)	224,583	112	118
- Deferred tax	3,225	13,958	-	-
	1,758,858	1,957,346	112	118

24. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity owners of the parent by the weighted average number of ordinary shares outstanding during the financial year, after taking into consideration of treasury shares held by the Company.

	Group	
	2025	2024
Profit attributable to owners of the parent (RM)	1,119,386	8,197,033
Weighted average number of ordinary shares in issue	115,640,592	115,756,034
Basic earnings per ordinary share (sen)	0.97	7.08

(b) Diluted

Diluted earnings per ordinary share are same as the basic earnings per ordinary share as there are no potentially dilutive ordinary shares as at the end of the reporting period.

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25. DIVIDENDS

	Group and Company	
	2025	2024
	RM	RM
First and final single-tier dividend of 1 sen per ordinary share for the financial year ended 31 August 2024, paid on 19 March 2025	1,156,490	-
First and final single-tier dividend of 1 sen per ordinary share for the financial year ended 31 August 2023, paid on 19 March 2024	-	1,157,560

The Directors proposed a first and final single-tier dividend of 1 sen per ordinary share amounting to RM1,156,406 in respect of the financial year ended 31 August 2025, subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 31 August 2026.

26. EMPLOYEE BENEFITS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Fees	70,000	70,000	70,000	70,000
Salaries, wages and bonuses	6,260,558	6,021,998	-	-
Contributions to defined contribution plan	701,579	673,393	-	-
Other employee benefits	380,372	387,568	-	-
	7,412,509	7,152,959	70,000	70,000

Included in the employee benefits of the Group and the Company are Executive Directors' remuneration amounting to RM1,670,222 and RM70,000 (2024: RM1,752,009 and RM70,000) respectively.

27. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationship with its subsidiaries.

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiaries are as follows:

Name of related parties	Relationship
(i) Bayu Mantap Sdn. Bhd.	Company in which Tan Sri Dato' Seri Yap Suan Chee is a Director and shareholder while Yap Wei Sam, who is the child of Tan Sri Dato' Seri Yap Suan Chee is the Director.
	Puan Sri To' Puan Seri Teng Siew Kean, who is the spouse of Tan Sri Dato' Seri Yap Suan Chee, is a Director and together with Tan Sri Dato' Seri Yap Suan Chee are shareholders of Samwell Sdn. Bhd. which is a major shareholder of Bayu Mantap Sdn. Bhd..
	Yap Wei Sam and Yap Wei Nie who are the children of Tan Sri Dato' Seri Yap Suan Chee, are the Directors of Samwell Sdn. Bhd..

Notes to the Financial Statements

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27. RELATED PARTY DISCLOSURES (continued)

(a) Identities of related parties (continued)

Name of related parties	Relationship
(ii) Bayu Prospektif Sdn. Bhd. ("Bayu Prospektif")	Company in which Puan Sri To' Puan Seri Teng Siew Kean is a major shareholder of Bayu Prospektif. She is also the spouse of Tan Sri Dato' Seri Yap Suan Chee and mother of Yap Wei Sam.
(iii) Mega Legacy (M) Sdn. Bhd.	Company in which Tan Sri Dato' Seri Yap Suan Chee is a Director and Yap Wei Sam, who is the child of Tan Sri Dato' Seri Yap Suan Chee, act as alternate director to Tan Sri Dato' Seri Yap Suan Chee. Puan Sri To' Puan Seri Teng Siew Kean, who is the spouse of Tan Sri Dato' Seri Yap Suan Chee and Yap Wei Sam are shareholders of Mega Legacy Equity Sdn. Bhd., which is a major shareholder of Mega Legacy (M) Sdn. Bhd.. Yap Wei Sam is also a Director of Mega Legacy Equity Sdn. Bhd..
(iv) Melati Ehsan (M) Sdn. Bhd.	Company in which Tan Sri Dato' Seri Yap Suan Chee is a Director and major shareholder while Yap Wei Sam, who is the child of Tan Sri Dato' Seri Yap Suan Chee, is a Director.
(v) Harta Nusajaya Sdn. Bhd. ("Harta Nusajaya")	Company in which Yap Wei Sam is a Director and major shareholder of Harta Nusajaya. He is the child of Tan Sri Dato' Seri Yap Suan Chee.

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subsidiary				
Dividend income	-	-	1,200,000	1,500,000
Related parties				
Rental income	225,000	168,750	-	-
Progress claim receivable	118,088,405	9,202,369	-	-
Transaction arising from the conditional SPA and DRA signed (Note 11(c)(i))	-	93,500,000	-	-

The related party transactions described above were carried out based on negotiated terms and conditions mutually agreed with the respective related parties.

Information regarding outstanding balances with related parties as at 31 August 2025 and 31 August 2024 are disclosed in Note 11 and Note 18 to the financial statements.

Notes to the Financial Statements

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27. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors of the Group and of the Company during the financial year was as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive Directors				
Fees	70,000	70,000	70,000	70,000
Salaries and bonus	1,438,000	1,515,000	-	-
Defined contribution plan	146,760	151,481	-	-
Others	2,137	2,203	-	-
Benefits-in-kind	13,325	13,325	-	-
	1,670,222	1,752,009	70,000	70,000
Non-Executive Directors				
Fees	114,000	144,000	114,000	144,000
Other emoluments	19,000	31,000	19,000	31,000
Total	1,803,222	1,927,009	203,000	245,000

28. FINANCIAL GUARANTEE CONTRACTS

	Company	
	2025 RM	2024 RM
Guarantees given to financial institutions on credit facilities granted to subsidiaries:		
- Limit of guarantee	226,467,000	226,467,000
- Amount utilised	56,049,029	74,487,855

- (a) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:
- The amount of the loss allowance; and
 - The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.
- (b) The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the loans of subsidiaries amounted to RM56,049,029 (2024: RM74,487,855), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. No financial liabilities had been recognised arising from financial guarantees as it is negligible.

Notes to the Financial Statements

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28. FINANCIAL GUARANTEE CONTRACTS (continued)

(c) Recognition and measurement of impairment loss of financial guarantee contracts

The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiary deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- (i) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- (ii) the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. No impairment loss is recognised arising from financial guarantees as it is negligible.

- (d) The maturity profile of the financial guarantee contracts of the Company at the end of the reporting period based on contractual undiscounted repayment obligations amounted to RM56,049,029 (2024: RM74,487,855) which are payable upon demand.

29. CAPITAL MANAGEMENT POLICY

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to 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 financial years ended 31 August 2025 and 31 August 2024.

The Group monitors and maintains a prudent level of total debts and to ensure compliance with any externally imposed capital requirements, if any.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total equity plus total borrowings (include lease liabilities owing to financial institutions). Total equity represents equity attributable to the owners of the parent.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Total borrowings	56,049,029	74,487,855	-	-
Total equity	252,106,636	252,256,125	203,792,967	204,789,971
Total borrowings	56,049,029	74,487,855	-	-
Total capital	308,155,665	326,743,980	203,792,967	204,789,971
Gearing ratio	18.19%	22.80%	N/A	N/A

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement for the financial years ended 31 August 2025 and 31 August 2024.

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30. FINANCIAL RISK MANAGEMENT AND POLICY**(a) Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurement which is those derived from quoted prices (unadjusted) in active markets for identical assets.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset that are not based on observable market data (unobservable input).

The following tables set out the financial instruments carried at fair value for which fair value is disclosed and carrying amounts are as shown in the statements of financial position.

(i) Fair value of financial instrument carried at fair value

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
As at 31 August 2025				
Financial asset at fair value through profit or loss				
Other receivable	-	-	91,926,766	91,926,766
<hr/>				
As at 31 August 2024				
Financial asset at fair value through profit or loss				
Other receivable	-	-	93,500,000	93,500,000
<hr/>				

The significant unobservable input applied to the valuation of the other receivable is the entitlement to 20% of the project profit.

(ii) Fair value reconciliation of financial instrument measured at Level 3

	2025 RM	2024 RM
Other receivable:		
As at 1 September	93,500,000	-
Transferred from other receivable	-	85,000,000
Fair value change	(1,573,234)	8,500,000
As at 31 August	91,926,766	93,500,000
<hr/>		

Notes to the Financial Statements

31 August 2025

30. FINANCIAL RISK MANAGEMENT AND POLICY (continued)

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems and adherence to the Group's financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk as well as interest rate risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Credit risk is the risk of potential financial loss to the Group and the Company arising from the failure of a counterparty to fulfil its obligations under a contractual agreement and include settlement or clearing risk, concentration risk, credit assessment risk, recovery risk and credit related liquidity risk.

Cash deposits and trade and other receivables could give rise to credit risk which requires the loss to be recognised if a counterparty fails to perform as contracted. The primary exposure of the Group to credit risk arises from its trade receivables. The primary exposure of the Company arises from other receivable. However, the Group will extend credit to its customers based on careful evaluation of the customers' financial condition and credit history and ensures a large number of customers so as to limit high credit concentration in a customer or customers from a particular market.

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

In respect of bank balances placed with major financial institutions in Malaysia, the management believes that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

The credit risks concentration profile of the Group and of the Company have been disclosed in Note 11 to the financial statements.

(ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company are unable to service their cash obligations in future.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

Prudent liquidity risk management implies maintaining level of cash and the availability of funding through an adequate amount of committed credit facilities.

The analysis of financial instruments by remaining contractual maturities have been disclosed in Note 6, Note 17 and Note 18 to the financial statements.

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30. FINANCIAL RISK MANAGEMENT AND POLICY (continued)**(b) Financial risk management (continued)****(iii) Interest rate risk**

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

The exposure of the Group and of the Company to interest rate risk arises primarily from fixed deposits with licensed banks as well as borrowings. The Group manages its interest rate exposure by way of applying centralised treasury management function, closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings. This strategy allows the Group to borrow at competitive interest rates. The Group does not use derivative financial instruments to hedge any debt obligations.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 13 and Note 17 to the financial statements.

31. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs**(a) New MFRSs adopted during the financial year**

The Group and the Company adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year.

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standards and Amendments of the MFRS Framework that have been issued by MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in the future financial years.

Analysis of Shareholdings

As At 26 November 2025

SHARE CAPITAL

Total Number of Issued Shares	:	120,000,434
Total Number of Issued Shares (without Treasury Shares)	:	115,553,734
No. of Treasury Shares Held	:	4,446,700
Total Amount of Issued Shares	:	RM79,830,481.00
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per share

ANALYSIS BY SIZE OF SHAREHOLDING

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less Than 100	16	1.98	519	0.00
100 - 1,000	154	19.08	106,500	0.09
1,001 - 10,000	407	50.43	2,051,381	1.77
10,001 - 100,000	198	24.54	6,268,500	5.42
100,001 and below 5%	28	3.47	33,091,457	28.59
5% and above	4	0.50	74,237,677	64.13
Total	807	100.00	115,756,034	100.00

SUBSTANTIAL SHAREHOLDERS

(AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	Name of Substantial Shareholders	No. of Ordinary Shares			
		Direct	%	Indirect	%
1.	Alpine Equity (M) Sdn. Bhd.	28,360,735	24.54	-	-
2.	Melati Ehsan Corporation Sdn. Bhd.	25,092,678	21.72	-	-
3.	Desalink Sdn. Bhd.	13,955,075	12.08	-	-
4.	SP Epark Konsortium Sdn. Bhd.	6,829,189	5.91	-	-
5.	Tan Sri Dato' Seri Yap Suan Chee	-	-	59,689,511*	51.66
6.	Puan Sri To' Puan Seri Teng Siew Kean	837,700	0.72	25,092,678 [#]	21.72
7.	Yap Wei Sam	-	-	20,784,264 [*]	17.99

STATEMENT OF DIRECTORS' SHAREHOLDINGS

	Directors' Name	No. of Ordinary Shares			
		Direct	%	Indirect	%
1.	Puan Sri To' Puan Seri Teng Siew Kean	-	-	59,689,511*	51.66
2.	Yap Wei Sam	-	-	20,784,264 [*]	17.99
3.	Hidzir Bin Yahya	-	-	-	-
4.	Clifford Anthony Clement	-	-	-	-
5.	Loo Yeok Bee	-	-	-	-

Notes :-

- ^{*} Deemed interested by virtue of his substantial shareholding in Melati Ehsan Corporation Sdn. Bhd., Alpine Equity (M) Sdn. Bhd., Harta Mantap Sdn. Bhd. and shareholding of his spouse.
- [#] Deemed interested by virtue of her substantial shareholding in Melati Ehsan Corporation Sdn. Bhd.
- ^{*} Deemed interested by virtue of his substantial shareholding in Desalink Sdn. Bhd. and SP Epark Konsortium Sdn. Bhd.

Analysis of Shareholdings

As At 26 November 2025

LIST OF 30 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Alpine Equity (M) Sdn. Bhd.	28,360,735	24.54
2.	Melati Ehsan Corporation Sdn. Bhd.	25,092,678	21.72
3.	Desalink Sdn. Bhd.	13,955,075	12.08
4.	SP Epark Konsortium Sdn. Bhd.	6,829,189	5.91
5.	Competent Star Sdn. Bhd.	5,710,400	4.94
6.	Art Facade Sdn. Bhd.	5,535,000	4.79
7.	Harta Mantap Sdn. Bhd.	5,398,398	4.67
8.	M Towers Sdn. Bhd.	2,651,800	2.29
9.	Tan Hong Hing @ Tan Eng Hing	2,159,359	1.87
10.	Malay-Sino Formic Acid Sdn. Bhd.	2,000,000	1.73
11.	Teo Kwee Hock	1,906,600	1.65
12.	Gan Boon Hoon	1,633,000	1.41
13.	Lee Yoke Ming	1,545,800	1.34
14.	Teng Siew Kean	837,700	0.72
15.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Teo Siew Lai	500,000	0.43
16.	Pang Tin @ Pang Yon Tin	372,000	0.32
17.	Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Pang Sar	350,000	0.30
18.	Chen Soh Chang	310,500	0.27
19.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary: Mak Tin Wong	285,000	0.25
20.	Boon Kim Yu	251,100	0.22
21.	Ang Poh Poh	200,000	0.17
22.	Lim Peng Hong	200,000	0.17
23.	Ooi Sing Hwat	200,000	0.17
24.	Public Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Tay Chun Yong	191,000	0.17
25.	Moomoo Nominees (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Rudy Ng Chong Jin	175,000	0.15
26.	Tan Wei Dar	170,000	0.15
27.	Gan Boon Hoon	140,000	0.12
28.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Beneficiary: Pledged Securities Account for Jacqueline Tiong Siew Siew	114,800	0.10
29.	Lim Kian Wat	113,000	0.10
30.	Tan Suet Lei	109,500	0.09
	Total	107,297,634	92.86

List of Properties

As at 31 August 2025

Location	Description/ Existing use	Date of Acquisition	Area	Tenure/ Age of building	Net book value/ cost as at 31 August 2025 (RM'000)
MELATI EHSAN CONSOLIDATED SDN BHD					
Lot No. 83962 PN 11853, Lot No. 83963 PN 11854 and Lot No. 83964 PN 11851 Mukim Pekan Pandamaran, Daerah Klang, Negeri Selangor Darul Ehsan	Development land	25 July 2007	59,230 square meters	Leasehold (expiring on 23/12/2101)	25,987
H.S. (D) 133655 to 133681 No. PT 5192 to 5218 Mukim Pekan Pandamaran, Daerah Klang, Negeri Selangor Darul Ehsan	Development land	25 July 2007	4,276.2 square meters	Leasehold (expiring on 23/12/2101)	
H.S. (D) 158144 to 158171 No. PT 14962 to 14987, 14993 and 14994 Mukim Pekan Pandamaran, Daerah Klang, Negeri Selangor Darul Ehsan	Development land	25 July 2007	32,173 square meters	Leasehold (expiring on 22/10/2115)	
H.S. (D) 155597, 155598, 163325 to 163336 and 163338 No. PT 14817, 14820, 15014 to 15025 and 15027 Mukim Pekan Pandamaran, Daerah Klang, Negeri Selangor Darul Ehsan	Development land	25 July 2007	185,464.5 square meters	Leasehold (expiring on 26/11/2105)	
H.S. (D) 163324 No. PT 15013 Mukim Pekan Pandamaran, Daerah Klang, Negeri Selangor Darul Ehsan	Development land	25 July 2007	1,392.9 square meters	Leasehold (expiring on 02/04/2118)	
H.S. (D) 158009 to 158015, 158035 to 158041, 158063 to 158070 and 158107 to 158143 No. PT 14827 to 14833, 14853 to 14859, 14881 to 14888 and 14925 to 14961 Mukim Pekan Pandamaran, Daerah Klang, Negeri Selangor Darul Ehsan	Development land	25 July 2007	9,803.4 square meters	Leasehold (expiring on 22/10/2115)	16,349
Mukim Pekan Pandamaran, Daerah Klang, Negeri Selangor Darul Ehsan	2-storey House	25 July 2007	613.20 square meters	Leasehold (expiring on 22/10/2115)	438
No. 3, Jalan Bayu Sinaran, Emerald Bay, Puteri Harbour, 79000 Iskandar Puteri, Johor	4-storey Courtyard Home	24 February 2014	401.4 square meters	Freehold	3,091

List of Properties

As at 31 August 2025

Location	Description/ Existing use	Date of Acquisition	Area	Tenure/ Age of building	Net book value/ cost as at 31 August 2025 (RM'000)
BAYU MELATI SDN BHD					
Geran 571366 Lot 89534 Mukim Kluang, Daerah Kluang, Negeri Johor	Development land	20 June 2019	351.185 square meters	Freehold	1,597
Geran 571388 Lot 89559 Mukim Kluang, Daerah Kluang, Negeri Johor	Development land	20 June 2019	410.135 square meters	Freehold	
Geran 571298 Lot 89463 Mukim Kluang, Daerah Kluang, Negeri Johor	Development land	20 June 2019	449.514 square meters	Freehold	
H.S. (D) 20577 Lot No. PT 31162 and H.S. (D) 20719 Lot No. 31156 Mukim Kluang, Daerah Kluang, Negeri Johor	Development land	20 June 2019	24,648.0266 square meters	Freehold	10,996
H.S. (D) 91790 No. PT 12046, Bandar Selayang, Daerah Gombak, Negeri Selangor Darul Ehsan	Development land	27 April 2021	41,322 square meters	Leasehold (expiring 26/4/2104)	116,789
H.S. (D) 122891 No. PT 50000 Seksyen 86, Bandar and District of Kuala Lumpur, Negeri Wilayah Persekutuan	Development land	17 Januari 2022	4,839 square meters	Leasehold (expiring 16/1/2121)	19,144

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**MELATI EHSAN HOLDINGS BERHAD**

(Company Registration No. 200401034784 (673293-X))
(Incorporated in Malaysia)

FORM OF PROXY

*I/We _____ *NRIC/Passport/Company No. _____
(Full name in Block Letters)

Tel No. _____ of _____
(Address)

being member(s) of the abovenamed Company, hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Mobile number:			

and/or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Mobile number:			

or failing *him/her, the CHAIRMAN of the meeting, as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty First Annual General Meeting of the Company to be conducted at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 26 February 2026, at 10.00 a.m. and at any adjournment thereof in the manner indicated below:-

ORDINARY RESOLUTIONS		For	Against
Ordinary Business			
1.	To declare a first and final single tier dividend		
2.	To approve the payment of Directors' Fees up to RM267,000.00 for the period from 26 February 2026 until the next Annual General Meeting in the year 2027.		
3.	To approve the payment of Directors' allowances of up to RM27,000.00 for the period from 26 February 2026 until the next Annual General Meeting in the year 2027.		
4.	Re-election of Mr Yap Wei Sam		
5.	Re-election of Madam Loo Yeok Bee.		
6.	To re-appoint Messrs BDO PLT as Auditors of the Company		
Special Business			
7.	Authority to Issue Shares		
8.	Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
9.	Proposed Renewal of Authority for Share Buy-Back		

Please indicate with an "X" in the appropriate box against the resolution on how you wish your proxy to vote. If no specific instruction as to voting is given, the proxy will vote at *his/her discretion.

Dated this _____ day of _____ 2026.

No of Ordinary Shares Held:	
CDS Account No.:	
Date:	

Signature/Common Seal of Shareholder
[* Delete if not applicable]

Notes :

1. A member of the Company entitled to attend and vote at the meeting may appoint up to two (2) proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.
4. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at No. 5, Jalan Titiwangsa, 53200 Kuala Lumpur not less than 24 hours before the time appointed for the taking of poll or any adjournment thereof.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 19 February 2026 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

**Delete where inapplicable*

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stamp

The Company Secretaries

MELATI EHSAN HOLDINGS BERHAD

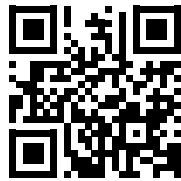
Company registration No. 200401034784 (673293-X)

No. 5, Jalan Titiwangsa
53200 Kuala Lumpur
Malaysia

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MELATI EHSAN HOLDINGS BERHAD

Company Registration No. 200401034784 (673293-X)

No. 5, Jalan Titiwangsa, 53200 Kuala Lumpur, Malaysia

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