Corporate Governance Overview Statement

The Board of Directors ("Board") of Midtown Group Berhad (Formerly known as Pasukhas Group Berhad) ("Midtown" or the "Company") remains committed to maintain the adequate standards of Corporate Governance ("CG") within the Company and the subsidiaries (the "Group"), adhering to the principles and best practices of CG, through observing and practising the core values of the Malaysian Code on Corporate Governance 2021 ("MCCG") and the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad ("Bursa Securities"). The governance process are regularly reviewed and refined in accordance to the needs and circumstances of the Group.

This Statement provides an overview on the application of the principles as set out in the MCCG by the Group and the extent to which the Company has complied with the three (3) key principles of the MCCG, Companies Act 2016 ("Act") as well as the ACE Market Listing Requirements ("AMLR") of Bursa Securities during the Financial Period Ended 31 December 2025 ("FPE 2025").

This Statement is to be read together with the CG Report 2025 of the Company, which is available on the Company's website at https://www.midtowngroup.com.my/.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board is collectively responsible for the overall strategic plans and long-term success of the Group. In discharging its fiduciary duties and leadership functions, the Board governs and sets the strategic direction of the Company while exercising effective oversight on management's performance, risk assessment and controls over its business operations.

1.1 Strategic Aims, Values and Standards

The Board plays a critical role in charting the strategic direction, development and control of the Group includes reviewing and monitoring of matters on the strategy to promote sustainability, performance, evaluation, resource allocation, the standard of conduct, financial matters, succession planning, corporate disclosure, effectiveness and adequacy of the Group's system of internal controls and risk management practices.

The responsibilities of the Board are inclusive of but not limited to:

- Reviewing the code of conduct of the Company and implementing appropriate internal systems to support, promote and ensure its compliance;
- Reviewing and adopting a sustainable strategic business development plan for the Company;
- Regularly evaluating economic, environmental, social and governance issues and any other relevant external matters that may influence or affect the development of the business or the interests of the shareholders in ensuring that the Company's strategies promote sustainability;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- Reviewing the procedures for appointment of senior management and ensuring that succession planning of the senior management is in place;
- Ensuring the integrity of the Company's financial and non-financial reporting; and
- Promoting effective communication and proactive engagements with shareholders and other stakeholders.

The Board is supported by the following three (3) Board Committees with delegated responsibilities to assist the Board in carrying out its fiduciary duties:-

(a) Audit and Risk Management Committee ("ARMC")
(b) Nominating Committee ("NC")
(c) Remuneration Committee ("RC")

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

BOARD RESPONSIBILITIES (Cont'd)

1.1 Strategic Aims, Values and Standards (Cont'd)

The powers delegated to the Board Committees are set out in the Terms of Reference ("TOR") of each of the Board Committees as approved by the Board. A copy of the TOR of the Board Committees is available on the Company's website at https://www.midtowngroup.com.my/.

All the Board Committees are actively engaged and act as oversight committees. They evaluate and recommend matters under their purview for the Board to consider and approve. The Board receives updates from the respective Chairman of the Board Committees on matters that have been discussed and deliberated at the respective committee meetings.

1.2 Chairman and Chief Executive Officer

The positions of the Chairman and Chief Executive Officer ("CEO") are held by different individuals. The roles are separated with a clear division of responsibilities between them to ensure the balance of control, power and authority which are formally documented in the Board Charter of the Company.

The Chairman of the Board, Mejar Dato' Ismail Bin Ahmad who is an Independent Non-Executive Director, plays an instrumental role in leading the Board by setting the tone at the top and managing Board effectiveness by focusing on strategy, governance and compliance. The Chairman also provides leadership at Board level and represents the Board to the shareholders and other stakeholders. In addition, the Chairman also ensures orderly conduct and proceedings of the Board and general meetings, and sufficient allocation of time for thorough discussion of key agenda items at the meetings. At the general meetings, he plays a pivotal role in fostering constructive dialogue between shareholders, the Board and the management.

As at the date of this Statement, the Company does not have CEO. Currently, the Executive Directors assume the role and responsibilities amongst others. The Executive Directors are responsible for overseeing the day-to-day operations and affairs of the Group and ensuring the success of the Company's governance and management functions. The Executive Directors are also responsible to assess the potential business opportunities and report the same to the Board for their discussion. The Non-Executive Directors, both independent and non-independent, are responsible in providing insights, objective and independent views and judgement in the decision-making process of the Board.

1.3 Independence of Chairman from Board Committees

Even though the Chairman of the Board, Mejar Dato' Ismail Bin Ahmad has been appointed as the Chairman of ARMC on 27 May 2025, subsequently, he ceased to be the Chairman of the ARMC on 20 June 2025. The Independent Non-Executive Chairman maintains independence from the Board Committees and is not a member of the ARMC, NC and RC.

1.4 Qualified and Competent Company Secretary

The Board is supported by two (2) suitably qualified and competent Company Secretaries. The Company Secretaries play an advisory role to the Board and is responsible to ensure all Board procedures and Board management matters are in line as well as in compliance with AMLR, relevant laws and regulations. The Company Secretaries ensure that discussions at Board and Board Committee meetings are well documented, and subsequently communicated to the relevant party for appropriate action. The Company Secretaries are constantly kept themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending relevant trainings from time to time.

1.5 Access to Information and Advice

The Board members have timely, full and unrestricted access to information on the Group's business and affairs to enable them to discharge their duties and responsibilities effectively.

To discharge its responsibilities effectively, the Board meets every quarter of the year. Additional or special Board Meetings are convened as and when necessary to consider and deliberate on any urgent proposals or matters arising under their purview and requires the Board's review or consideration.

Prior to every Board meeting, the Directors are furnished with an agenda and a set of meeting papers electronically for their perusal. Adequate notice is provided to allow the Directors to review the Board papers so that matters arising could be deliberated adequately at the Board meetings, and the Board could make appropriate decisions. Senior management and appointed advisers of the Company may be required to attend the Board meetings as and when necessary.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

BOARD RESPONSIBILITIES (Cont'd)

1.6 Board Charter

The Company has in place a Board Charter which sets out the roles and responsibilities of the Board, individual Directors and management, functions, compositions, operations and processes of the Board. The Company has adopted the Corporate Disclosure Policy, Code of Conduct Policy, Whistleblowing Policy, Remuneration Policy, Board Diversity Policy and Succession Planning Policy to be in line with the corporate governance standards as set out in the MCCG and AMLR.

The Board Charter is reviewed from time to time and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter was last reviewed on 26 February 2026 to further strengthen the governance and management of the Company. The Board Charter is available on the Company's website at https://www.midtowngroup.com.my/.

GOOD BUSINESS CONDUCT AND CORPORATE CULTURE

2.1 Code of Conduct Policy

The Code of Conduct Policy serves as a road map to guide the Board, management, employees and other stakeholders in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity and comprised all aspects of its day-to-day business operations respectively.

Directors and employees of the Group are expected to adhere to high standards of integrity and fair dealings in relation to clients, staff, management and regulators which the Group operates and ensure compliance with all applicable laws, rules and regulations. The Code of Conduct Policy formed part of the Board Charter and is available on the Company's website at https://www.midtowngroup.com.my/.

2.2 Whistleblowing Policy

The Group recognises whistleblowing as an important mechanism in the prevention and detection of improper conduct, harassment or corruption in the conduct of its businesses and operations. As such, the Board has adopted a whistleblowing policy for the Group as a measure to promote the highest standard of CG. The Whistleblowing Policy outlines the avenues for Directors, employees and stakeholders to raise concerns or disclose in good faith any improper conduct within the Group and to enable prompt corrective actions and measures to resolve them effectively.

All employees and general public are encouraged to report genuine concerns about unethical behavior or malpractice of the Company. Any party who has knowledge on serious malpractice involving the affairs of the Company, may direct such complaint and report to the ARMC Chairman via e-mail at armcchairman@midtown.com.my. Management will ensure that any employee of the Company who raises a genuine complaint in good faith shall not be penalised for such disclosure and the identity of such complainant shall be kept confidential.

The Whistleblowing Policy formed part of the Board Charter and is available on the Company's website at https://www.midtowngroup.com.my/.

2.3 Anti-Bribery and Anti-Corruption Policy

The Board has in place an Anti-Bribery and Anti-Corruption Policy to incorporate the principles, guidelines and requirements on how to deal with bribery and corrupt practices that may arise in the course of daily business and operation activities within the Group to promote better governance culture and ethical behavior within the Group and to prevent the occurrence of corrupt practices in accordance with the Malaysian Anti-Corruption Commission Act 2009, and the new Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time.

The Anti-Bribery and Anti-Corruption Policy is reviewed regularly as and when it is deemed necessary by the Board. The details of the Anti-Bribery and Anti-Corruption Policy is available on the Company's website at https://www.midtowngroup.com.my/.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

BOARD RESPONSIBILITIES (Cont'd)

2.4 Strategies Promoting Sustainability

The Board together with management acknowledges the importance in promoting sustainability strategies in the economic, environment, social and governance aspects as part of its broader responsibility to all the stakeholders and the communities in which it operates. The Company will continue to ramp up its effort in promoting sustainability initiatives for the communities in which it operates and the welfare of its employees. The details of the sustainability activities are set out in the Sustainability Statement on s 18 to 42 of this Annual Report.

2.5 Succession Planning Policy

The Board has in place a succession planning policy to ensure the Group's continuity in leadership for all key positions included the Board and senior management. It guides the Company to identify and develop a talent pool of employees through monitoring, training and job rotation for key business leaders leave their position due to retirement, resignation, death or new business opportunities.

The Succession Planning Policy formed part of the Board Charter and is available on the Company's website at https://www.midtowngroup.com.my/.

BOARD COMPOSITION

3.1 Composition of the Board

The Company's current Board composition is as follows:-

Name	Designation
Mejar Dato' Ismail Bin Ahmad	Independent Non-Executive Chairman
Tang Boon Koon	Executive Director
Lim Kian Seong	Executive Director
Dato' Nik Ismail Bin Dato' Nik Yusoff	Independent Non-Executive Director
Charissa Lim Zhu Ai	Independent Non-Executive Director
Teoh Kim Hooi	Non-Independent Non-Executive Director

As at the date of this Statement, the Board consists of a total of six (6) members, comprising one (1) Independent Non-Executive Chairman, two (2) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Company has complied with the Rule 15.02(1)(a) of the AMLR of having at least two (2) or one third (1/3) of the Board, whichever is the higher, comprising independent directors. In the event of any vacancy of the Board, resulting in non-compliance with Rule 15.02 of the AMLR, the Company will fill the vacancy within three (3) months.

The Company has also met the recommendation of Practice 5.2 of the MCCG to have at least half of the Board members comprises of Independent Directors.

A female director has been appointed on Board on 20 June 2025 and the Company has complied with Rule 15.02(1)(b) of the AMLR. The Board endeavours to fulfil the gender diversity provided by the MCCG and believes that with the current composition and size of the Board is adequate to discharge its duties and responsibilities efficiently and competently. The Board members have a diverse professional and entrepreneurial background, varied skills and experiences. With the presence of Independent Non-Executive Directors, it provides the necessary checks and balances in the Board's exercise of its functions and independent evaluation of the Board's decision-making process.

3.2 Re-election and re-appointment of Directors

In accordance with the Constitution and in compliance with the AMLR, all the Directors are required to retire from office at least once in every three (3) years and shall be eligible for re-election. The Constitution also requires that at least one-third (1/3) of the Board shall retire at each Annual General Meeting ("AGM") and may offer themselves for re-election.

In addition, the Constitution and AMLR also require the newly appointed Directors to hold office only until the next AGM and shall be eligible for re-election.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

BOARD COMPOSITION (Cont'd)

3.3 Tenure of Independent Directors

The Board recognises that independence is important for ensuring objectivity and fairness in Board's decision making. The Board is aware that the Board Charter of the Company limits the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) years' term, an Independent Director may continue to serve on the Board as an Independent Director with justifications provided and subject to shareholder's approval through a two (2) tier voting process as prescribed under the MCCG. Nonetheless, such retention is limited to not more than a cumulative period of twelve (12) years from the date of such person's first appointment as an Independent Director of the Company under the Board Charter of the Company.

In view of this, the Board has undertaken an annual assessment to assess the independency of the independent directors. The Board is satisfied with the level of independence demonstrated by all the Independent Directors and it will continue to conduct independence assessment annually with the assistance of the Committee to ensure that the Independent Directors are able to exercise independent judgement and act in the best interests of the Group.

As at the date of this Statement, all Independent Non-Executive Directors' service tenure is within the cumulative of nine (9) years term.

3.4 Diverse Board and Senior Management Team

The Board acknowledges the importance of diverse Board and senior management and views that the workplace and Board diversity is important to facilitate the decision-making process by harnessing different insights and perspectives.

Appointment of Board and senior management of the Company are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Group adheres strictly to the practice of non-discrimination of any form.

The decision on new appointment of Directors' and senior management rest with the Board after considering the recommendation of NC. In evaluating the suitability of candidates to the Board, NC will consider certain criteria such as skills, knowledge, expertise, experience, integrity, commitment, background, boardroom diversity and the ability of the candidate to discharge his/her duties as expected. For the appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in AMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and AGM.

3.5 Audit and Risk Management Committee

The members of the ARMC and the activities undertaking by ARMC during the FPE 2025 are set out in the ARMC Report on pages 54 to 56 in this Annual Report.

3.6 Nominating Committee

The present NC consists of three (3) Non-Executive Directors, a majority of whom are independent. The members of NC as follows: -

Designation	Name	Attendance
Chairman	Dato' Nik Ismail Bin Dato' Nik Yusoff *(Independent Non-Executive Director)*	1/1
Member	Teoh Kim Hooi *(Non-Independent Non-Executive Director)*	1/1
	Tan Yee Ping *(Independent Non-Executive Director)* *(Resigned on 21 March 2025)*	1/1
	Charissa Lim Zhu Ai *(Independent Non-Executive Director)* *(Appointed on 20 June 2025)*	-

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

BOARD COMPOSITION (Cont'd)

3.6 Nominating Committee (Cont'd)

During the FPE 2025, the NC has undertaken the following activities in discharging its duties:

(a) Conducted an annual assessment of the performance of the Board as a whole and made its recommendation to the Board;
(b) Conducted an annual assessment of the Independent Directors and made its recommendation to the Board;
(c) Reviewed and recommended the re-election of the retiring Directors for Board's approval;
(d) Reviewed composition of Board and its Board Committees; and
(e) Reviewed the Terms of Reference of the NC.

3.7 Remuneration Committee

The present RC consists of three (3) Non-Executive Directors, a majority of whom are independent. The members of RC as follows: -

<table>
<tr><th>Designation</th><th>Name</th><th>Attendance</th></tr>
<tr><td>Chairman</td><td>Dato' Nik Ismail Bin Dato' Nik Yusoff
(Independent Non-Executive Director)</td><td>1/1</td></tr>
<tr><td rowspan="3">Member</td><td>Teoh Kim Hooi
(Non-Independent Non-Executive Director)</td><td>1/1</td></tr>
<tr><td>Tan Yee Ping
(Independent Non-Executive Director)
(Resigned on 21 March 2025)</td><td>1/1</td></tr>
<tr><td>Charissa Lim Zhu Ai
(Independent Non-Executive Director)
(Appointed on 20 June 2025)</td><td>-</td></tr>
</table>

During the FPE 2025, the RC has undertaken the following activities in discharging its duties:

(a) Reviewed and recommended Directors' fees payable to the Directors of the Group for Board's approval;
(b) Reviewed and recommended additional Directors' fees due to change of financial year end;
(c) Reviewed and recommended Directors' benefits payable to the Directors of the Group for the Board's approval; and
(d) Reviewed the Terms of Reference of the RC.

OVERALL BOARD EFFECTIVENESS

4.1 Annual Evaluation

The NC has established a set of quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, each Board Committee, and to review the performance of the Board as a whole. The effectiveness of the Board is assessed in the areas of the Board's roles and responsibilities and composition, attendance record, the intensity of participation at meetings, quality of interventions and special contributions. Besides, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability and responsibility as well as the effectiveness of the Chairman of the respective Board Committees.

The NC reviews and evaluates the performance of the Board, Board Committees and individual Directors on an annual basis. The annual assessment of individual Directors, Board as a whole and Board Committees which commences with the completion of a set of self-assessment from detailing all assessment criteria to be completed by all Directors for evaluation by NC. Criteria for the self-assessment includes self-ratings on the Director's knowledge, support of the goals of the Company, time commitment, and active participation on Board.

Based on the annual assessment conducted during the financial period, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the FPE 2025, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NC in discharge of its functions were properly documented.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

OVERALL BOARD EFFECTIVENESS (Cont'd)

4.2 Board Meetings

During the FPE 2025, seven (7) meetings were held in which the Board deliberated upon and considered various issues including the Group's financial results, the performance of the Group's business, significant investment, business plan and policies and strategies issues affecting the Group's business. The senior management of the Company was requested to attend board meetings to present and provide additional information on matters being discussed and to respond to any queries that the Board may have.

The following is the record of attendance of the Board Members for FPE 2025:-

Name of Directors	Attendance	Percentage of Attendance
Mejar Dato' Ismail Bin Ahmad	7/7	100%
Dato' Nik Ismail Bin Dato' Nik Yusoff	7/7	100%
Tang Boon Koon	7/7	100%
Teoh Kim Hooi	7/7	100%
Lim Kian Seong *(Appointed on 5 February 2025)*	4/4	100%
Charissa Lim Zhu Ai *(Appointed on 20 June 2025)*	2/2	100%
Mak Siew Wei *(Resigned on 15 November 2024)*	2/2	100%
Tan Yee Ping *(Resigned on 21 March 2025)*	4/4	100%

Based on the above, all Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in AMLR. The attendance of all the Directors at the Board meetings showed that the Board is committed to the Company towards fulfilling their roles and responsibilities as Directors of the Company.

4.3 Directors' Training

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge to enable them to discharge their duties effectively. As such, the Board empowered the Directors of the Company to determine their own training requirements as they consider necessary to enhance their knowledge as well as understanding of the Group's business and operations.

During the FPE 2025, the current Directors have attended the following trainings, seminars, and conferences which they considered vital in keeping abreast with changes in laws and regulation, business environment, and corporate governance development:

Name of Director	Seminars/Conferences/Training Programmes Attended	Date of Training
Mejar Dato' Ismail Bin Ahmad	(i) Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & Conflict of Interest	16 October 2024
	(ii) Securities Commission Malaysians Audit Oversight Board Conversation with Audit Committees	19 November 2024
	(iii) Strategic Data and Frameworks in Board Governance	2 December 2024
	(iv) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	4 – 5 June 2025
Tang Boon Koon	(i) Strategic Management and Leadership Competency Training	19 July 2024
	(ii) Preview of the Aspiring Directors Immersion Programme (ADIP)	28 August 2025
Lim Kian Seong	(i) Mandatory Accreditation Programme (MAP) Part 1	23 – 24 April 2025
	(ii) Service Tax Updates For Construction Services	21 November 2025
Dato' Nik Ismail Bin Dato' Nik Yusoff	(i) Beneficial Ownership Reporting	29 August 2024
	(ii) Anti-Money Laundering and Anti-Bribery and Corruption (ABC)	22 September 2025

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

OVERALL BOARD EFFECTIVENESS (Cont'd)

4.3 Directors' Training (Cont'd)

Name of Director	Seminars/Conferences/Training Programmes Attended	Date of Training
Teoh Kim Hooi	(i) National Tax Conference 2024	22 – 23 July 2024
	(ii) SSM National Conference 2024: Enhancing Corporate Transparency, Building Resilience	27 – 28 August 2024
	(iii) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	9 – 10 October 2024
	(iv) Seminar Percukaian Kebangsaan 2025 (Belanjawan 2026)	14 October 2025
Charissa Lim Zhu Ai	(i) Budget 2026 – Highlight of Key Budget Proposals & Tax Changes and Recent Tax Updates in Malaysia	12 November 2025

REMUNERATION

The Board acknowledges that disclosure of remuneration of the Directors and senior management on an individual basis provides transparency and enable the stakeholders to assess whether the remuneration commensurate with their individual performance, taking into consideration of the Company's performance.

5.1 Directors' Remuneration

The detailed breakdown of the Directors' fees and other benefits paid (both Company and Group level) for the FPE 2025, as follows: -

Company

Directors	Fees (RM)	Salaries and Bonus (RM)	Allowance (RM)	Benefits-in-kind (RM)	Other Emoluments (RM)
Mejar Dato' Ismail Bin Ahmad	81,000	-	-	-	-
Tang Boon Koon	87,000	72,000	-	-	10,747
Mak Siew Wei *(Resigned on 15 November 2024)*	17,500	167,000	-	-	20,562
Lim Kian Seong *(Appointed on 5 February 2025)*	50,000	250,000	-	-	33,733
Dato' Nik Ismail Bin Dato' Nik Yusoff	63,000	-	-	-	-
Charissa Lim Zhu Ai *(Appointed on 20 June 2025)*	23,423	-	-	-	-
Tan Yee Ping *(Resigned on 21 March 2025)*	31,500	-	-	-	-
Teoh Kim Hooi	63,000	-	-	-	-
Total	**416,423**	**489,000**	**-**	**-**	**65,042**

Group

Directors	Fees (RM)	Salaries and Bonus (RM)	Allowance (RM)	Benefits-in-kind (RM)	Other Emoluments (RM)
Mejar Dato' Ismail Bin Ahmad	81,000	-	-	-	-
Tang Boon Koon	117,000	72,000	-	-	10,747
Mak Siew Wei *(Resigned on 15 November 2024)*	21,000	233,800	-	-	33,602
Lim Kian Seong *(Appointed on 5 February 2025)*	150,000	390,000	-	-	53,745
Dato' Nik Ismail Bin Dato' Nik Yusoff	63,000	-	-	-	-
Charissa Lim Zhu Ai *(Appointed on 20 June 2025)*	23,423	-	-	-	-
Tan Yee Ping *(Resigned on 21 March 2025)*	31,500	-	-	-	-
Teoh Kim Hooi	63,000	-	-	-	-
Total	**549,923**	**695,800**	**-**	**-**	**98,049**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

5.2 Remuneration of Senior Management

The remuneration paid to the senior management during the FPE 2025, as follows: -

Range of Remuneration	Number of Senior Management
RM50,001 to RM100,000	1
RM450,001 to RM500,000	1
RM500,001 to RM550,000	1

Due to the confidentiality and sensitivity of the remuneration package of senior management as well as security concerns, the Company opts not to disclose the top three (3) senior management's remuneration on a named basis.

The Board is of the view that the disclosure on a named basis of the top three (3) senior management officers may lead to an invasion of privacy and may expose named officers to an unwarranted attention.

5.3 Remuneration Procedure

The Board recognises that the level and composition of remuneration of Directors and senior management should take into account the Company's desire to attract and retain the right talent in the Board and senior management to drive the Company's long-term objectives.

The Board has adopted a Remuneration Policy to determine the remuneration of Directors and senior management to be in line with the business strategy and long-term objectives of the Group. The remuneration package of the Executive Directors consists of monthly salary, bonus (if any), fees, benefits-in-kind and Directors and Officers Liability Insurance in respect of any liabilities arising from acts committed in their capacity as Directors and Officers of the Company.

The RC recommends to the Board the remuneration packages for the Executive Directors. None of the Executive Directors participated in any way in determining their own individual remuneration. The Board as a whole determines the remuneration of Non-Executive Directors, with individual Directors abstaining from making decisions in respect of their individual remuneration. The Directors' fees are approved by the shareholders during the AGM of the Company.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

6.1 Audit and Risk Management Committee

The ARMC comprises of Independent Non-Executive Directors, a majority of whom are independent. The Chairman of the ARMC is not the Chairman of the Board. The ARMC is fully informed about significant matters related to the Company's audit and its financial statements. The ARMC also reviewed the internal audit programme and invited the internal auditors to the meeting for discussion on the internal audit findings. Besides, such discussion also served as an avenue for the ARMC to appropriately communicate its insights, views and concerns about relevant transactions and events to the internal and external auditors.

The ARMC took note on the Practice 9.2 of the MCCG to have a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

The terms of engagement for services provided by the external auditors are reviewed by the ARMC prior to submission to the Board for approval.

Further details on the work performed by ARMC in furtherance of its oversight role are set out in the ARMC Report on pages 54 to 56 of this Annual Report.

Corporate Governance Overview Statement (Cont'd)

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

6.2 Assessment on Suitability and Independence of External Auditors

For the financial period, the ARMC performs an assessment on the suitability and independence of the external auditors before making recommendation to the Board for the appointment or reappointment of the external auditors.

The ARMC takes the following into consideration:

- The adequacy of the experience and resources of the external auditors;
- The nature of the non-audit services and the fees payable for such services; and
- The level of independence of the external auditors.

The ARMC was satisfied with the results of the aforesaid assessment and was unanimous in their decision to recommend to the Board the appointment of Messrs. Morison LC PLT as the Auditors of the Company for the FPE 2025.

The Board having received the recommendation from ARMC, were in consensus to recommend the re-election of Messrs. Morison LC PLT as the Auditors of the Company for the shareholders' approval at the Company's forthcoming AGM.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

7.1 Establishment of Risk Management and Internal Control Framework & Internal Audit Function

The Board has overall responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

During the FPE 2025, the Board and ARMC were assisted by the Executive Directors to maintain its risk management system, which is reviewed and continuously updated to safeguard shareholders' investments and the Group's assets.

The Group's internal audit function has been outsourced to an external consultant who reports directly to ARMC. The internal audit function currently reviews and appraises the risk management and internal control processes of the Group. The Statement on Risk Management and Internal Control set out on pages 57 to 61 of this Annual Report which provides an overview of the Group's approach to ensure the effectiveness of the risk management and internal processes within the Group.

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

COMMUNICATION WITH STAKEHOLDERS

There is continuous communication between the Company and stakeholders to facilitate a mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

8.1 Effective, Transparent and Regular Communication

The Board recognises the importance of being transparent and accountable to its shareholders and has used various channels of communication to enable the Board and management to continuously communicate, disclose and disseminate comprehensive and timely information to investors, shareholders, financial community and the public.

The Company maintains various methods of dissemination of information important to shareholders, stakeholders and the public at large through the timely announcement of events, the quarterly announcement of financial results and product information on the Company's website at https://www.midtowngroup.com.my/.

Corporate Governance Overview Statement (Cont'd)

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

COMMUNICATION WITH STAKEHOLDERS (Cont'd)

CONDUCT OF GENERAL MEETINGS

9.1 Annual General Meeting

In addition to disseminating information via announcements and/or disclosures to Bursa Securities, the Company's website, circulars and press releases, the Company's General Meetings, i.e. AGM or any Extraordinary General Meetings serve as an important platform for the Board to engage with the shareholders and have direct interaction with them.

Shareholders are encouraged to participate in the Questions and Answers session and raise questions or seek further information pertaining to the Annual Report, financial statements, corporate developments, resolutions and businesses of the Group. Board members and key senior management were present at all General Meetings of the Company, in order to engage directly and to take up any relevant queries from the shareholders. The external auditors of the Company were also present to provide their professional and independent clarification on any issues and concerns raised by the shareholders.

The Notice of the Nineteenth ("19th") AGM of the Company was circulated to shareholders at least twenty-eight (28) days before the date of the meeting, to enable the shareholders to have ample time to read through the Annual Report and the resolutions proposed. Shareholders who are unable to attend to attend may appoint their respective proxies to ask questions and vote on their behalf at the General Meetings.

The 19th AGM was conducted on a virtual basis through live streaming from the broadcast venue via Remote Participation and Voting ("RPV") facilities operated by InsHub Sdn. Bhd. in Malaysia on 28 November 2024. All resolutions set out in the Notice of 19th AGM were put to vote electronically (e-vote). The 19th AGM that was conducted virtually provided an opportunity for shareholders to participate remotely at the meeting and pose relevant questions to the Chairman and the Board via real time submission of typed texts.

All resolutions set out in the Notice of the 19th AGM were voted by way of poll, at which an independent scrutineer was appointed to validate the votes casted at the 19th AGM. The outcome of the 19th AGM was announced to Bursa Securities on the even date.

For the forthcoming 20th AGM, the Company intends to convene the meeting physically, taking into consideration the objective of facilitating more direct interaction and engagement between the Board, management and shareholders. Shareholders will be able to attend the AGM in person, participate in the proceedings and vote on the resolutions tabled at the meeting.

The Notice of the 20th AGM and the Annual Report are issued to shareholders at least twenty-eight (28) days prior to the date of the meeting, thereby allowing shareholders sufficient time to review the information and proposed resolutions. Shareholders who are unable to attend the AGM in person may appoint proxies to attend, participate, ask questions and vote on their behalf at the AGM.

The 20th AGM of the Company will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 June 2026 at 2:30 p.m..

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement, and considers that this overview statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG, AMLR and all applicable laws and regulations throughout the FPE 2025.

This Statement was approved by the Board of Directors of the Company on 30 April 2026.

Audit and Risk Management Committee Report

The Board of Directors of Midtown Group Berhad (Formerly known as Pasukhas Group Berhad) (“the Board”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report which provides insights into the manner in which the ARMC discharged its functions for the Group in respect of the Financial Period Ended 31 December 2025 (“FPE 2025”).

COMPOSITION

The ARMC comprises of the following members: -

Chairman:	Ms. Charissa Lim Zhu Ai, Independent Non-Executive Director *(Appointed as Chairman on 20 June 2025)*
	Mejar Dato’ Ismail Bin Ahmad, Independent Non-Executive Chairman *(Appointed as Chairman on 27 May 2025 and Subsequently Resigned as Chairman on 20 June 2025)*
	Ms. Tan Yee Ping, Independent Non-Executive Director *(Resigned as Chairman on 21 March 2025)*
Members:	Dato’ Nik Ismail Bin Dato’ Nik Yusoff, Independent Non-Executive Director
	Mr. Teoh Kim Hooi, Non-Independent Non-Executive Director

The present ARMC comprises Non-Executive Directors with a majority of them being Independent Directors which in compliance with Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The members of ARMC have the relevant experience and expertise in finance and accounting and have carried out their duties in accordance with the Terms of Reference (“TOR”) of the ARMC.

TERMS OF REFERENCE (“TOR”)

The TOR of ARMC is available on the Company’s website at https://www.midtowngroup.com.my/. The TOR of ARMC was last reviewed on 26 February 2026.

MEETINGS AND ATTENDANCE

During the FPE 2025, seven (7) ARMC meetings were held and the attendance of the ARMC members are set out as below:-

Name of Directors	Attendance
Ms. Charissa Lim Zhu Ai *(Appointed as Chairman on 20 June 2025)*	2/2
Mr. Teoh Kim Hooi	7/7
Dato’ Nik Ismail Bin Dato’ Nik Yusoff	7/7
Mejar Dato’ Ismail Bin Ahmad *(Appointed as Chairman on 27 May 2025 and subsequently Resigned as Chairman on 20 June 2025)*	1/1
Ms. Tan Yee Ping *(Ceased as Chairman on 21 March 2025)*	4/4

During the FPE 2025, the ARMC met seven (7) times to discuss matters relating, among others, to the accounting and reporting practices, related party transactions as well as internal and external audits of the Company and its subsidiaries.

The meetings were appropriately structured through the use of agendas, which were distributed to the members with sufficient notification. The Company Secretary or the representatives were present at all the meetings. The executive Board members, members of management as well as representatives of the external auditors and internal auditors were also invited to attend the meetings to provide input and advice, clarification to relevant items on the agenda as and when the need arose.

Audit and Risk Management Committee Report (Cont'd)

MEETINGS AND ATTENDANCE (Cont'd)

The minutes of each ARMC meeting were recorded and tabled for confirmation at the next following ARMC meeting. The ARMC Chairman reported to the Board on the activities undertaken and the key recommendations for the Board's consideration and decision.

An evaluation on the Board Committees has been carried out to assess the performance and time commitment of each of the ARMC members and the ARMC as a whole. Based on the outcome of the evaluation, the Board is satisfied that the ARMC and its members have discharged their functions, duties and responsibilities in accordance with the TOR of ARMC.

INDEPENDENCE OF THE ARMC

The Company recognises the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the ARMC of the Company were former key audit partners of the external auditors appointed by the Group. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of ARMC was a key audit partner of the external auditors of the Group.

SUMMARY OF WORK

During the FPE 2025, the ARMC has carried out the following work in accordance with its TOR to meets its responsibilities:

(a) reviewed the unaudited quarterly financial statements of the Group to ensure adherence to the regulatory reporting requirements and appropriate resolution prior to the Board's approval;

(b) reviewed the annual audited financial statements of the Company and of the Group prior to the Board's consideration and approval;

(c) reviewed the Audit Planning Memorandum presented by the external auditors in terms of their scope of audit prior to their commencement of their annual audit;

(d) reviewed the Audit Review Memorandum in respect of the Audited Financial Statements;

(e) reviewed the related party transactions and/or recurrent related party transactions to be entered into by the Group and any conflict of interest and/or potential conflict of interest situation that arose, persist or may arise within the Group and to ensure that the transactions entered into were on arm's length basis and on normal commercial terms and not detrimental to the interests of minority shareholders every quarter;

(f) reviewed the internal audit report which outlined the recommendations towards correcting areas of weaknesses and ensured that there were management action plans established for the implementation of the internal auditors' recommendations;

(g) reviewed the audit reports from the external auditors in relation to audit and accounting matters arising from the statutory audit, matters arising from the audit of the Group in meetings and reported the same to the Board;

(h) met with the external auditors during the financial period without the presence of the Executive Directors and management in the ARMC meetings to enquire on significant findings, fraud consideration, if any, and/or management cooperation level and to discuss any matters they may wish to present;

(i) assessed the performance of internal and external auditors in term of the quality of previous audit, the timeliness of service deliverables and independence and objectivity;

(j) reviewed the re-appointment of external auditors and their audit and non-audit fees, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit, before the recommendation to the Board for approval;

Audit and Risk Management Committee Report (Cont'd)

SUMMARY OF WORK (Cont'd)

(k) reviewed the Statement on Corporate Governance Overview Statement, ARMC Report, Statement on Risk Management and Internal Control and Sustainability Statement to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval and for inclusion in the annual report;

(l) reviewed the internal audit function of the Group, the effectiveness and efficiency of the internal controls system in place and the risk factors affecting the Group; and

(m) reviewed and confirmed the minutes of the ARMC meetings, and also distributed the minutes to the other members of the Board.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm, namely CAS Consulting Services Sdn. Bhd. ("CAS" or "Internal Auditors"), to provide the ARMC with an independent assessment of the adequacy and effectiveness of the Group's risk management and internal control system.

CAS's engagement director in charge of the Group's internal audit is Mr Kong June Hon. He is a fellow member of the Association of Chartered Certified Accountants ("ACCA"), the ASEAN Chartered Professional Accountants ("ASEAN CPA") and the Institute of Internal Auditors Malaysia ("IIAM").

The primary responsibility of Internal Auditors is to assist the Board and the ARMC in reviewing the systems of internal control and providing recommendations to strengthen these systems. The main function of the Internal Auditors is to submit audit reports that highlight risk and control weaknesses and provide suitable recommendations for improvement to reassure the senior management and the ARMC on the state of its internal control and that of the Group.

The internal audit reports issued during the financial period incorporated findings and recommendations with regard to its system, control and processes, weaknesses highlighted in the course of audit, management response, addressing and proposing remedial actions on the findings in its review process.

The internal audit reviews are carried out according to the internal audit plan which is reviewed and approved by the ARMC. Prior to the presentation of the report to ARMC, comments from the management are obtained and incorporated into the internal audit findings and reports. Further details of the internal audit function and its activities are provided in the Statement on Risk Management and Internal Control, set out in pages 57 to 61 of this Annual Report.

The ARMC and the Board are satisfied with the performance of the outsourced Internal Auditors and have in the interest of greater independence and continuity in the internal audit function, taken the decision to continue with the outsourcing of the internal audit function.

The total costs incurred by the Internal Auditors in discharging its functions and responsibilities in respect of the FPE 2025 amounted to RM26,000.

This statement was approved by the ARMC on 30 April 2026.

Statement on Risk Management and Internal Control

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") in relation to the requirement of preparing a statement of the state of risk management and internal control of the listed issuer as a Group, and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SORMIC Guide 2025") and Malaysian Code on Corporate Governance 2021, the Board of Directors ("the Board") of Midtown Group Berhad ("the Company") (collectively with its subsidiary, "the Group") is pleased to present the statement on risk management and internal controls of the Group for the financial period ended 31 December 2025.

This Statement does not cover the Group's associate companies as the Board of Midtown Group Berhad does not have full control and management over the respective companies. The Group's interests in the associate companies are served through a combination of representations on the boards of the respective companies as well as review of management accounts and shareholder engagement sessions, as the case may be.

BOARD'S RESPONSIBILITIES

The Board is responsible for establishing and maintaining an effective risk management framework and internal control system for the Group. This includes regularly reviewing the adequacy and integrity of the internal control environment to ensure that the Group's operations are properly managed and its assets are safeguarded. The Board also ensures that key risks are identified, assessed and managed through appropriate policies, procedures, and controls.

In carrying out its duties, the Board oversees the implementation of internal controls across financial, operational and compliance areas. It also monitors risk exposures, reviews internal audit findings and ensures that corrective actions are taken when necessary. The Board promotes a culture of accountability and awareness of risk throughout the Group, supported by clear communication and proper reporting channels.

However, the Board recognises that any system of internal control has its limitations. These systems are designed to manage, rather than eliminate, risks. As such, they can only provide reasonable, but not absolute, assurance against material misstatement, operational failures, fraud or loss.

RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL

The Group has established an Enterprise Risk Management Framework ("Framework") to identify, assess and manage risk across its operations, including operational, financial, and emerging risk such as environmental, social and governance ("ESG") risks.

Management and Board meetings are held to deliberate, among other matters, on performance outcomes and key risk factors.

The Group's Framework is designed to provide clear guidance and direction to the Board, Management, Heads of Department, and staff in effectively managing risks across the organisation. It establishes a structured and consistent approach to risk management, ensuring that risks are identified, assessed, monitored and addressed in a timely manner. In achieving this, the Framework outlines:

- The core principles and concepts of risk and risk management, to be applied consistently across all situations and organisational levels;
- The structured process for identifying, assessing, responding to, monitoring, and reporting risks and controls;
- The defined roles and responsibilities of management at every level within the Group; and
- The tools, techniques, and mechanisms employed to effectively manage risks throughout the Group.

The Board firmly believes that effective risk management is crucial for sustaining profitability and safeguarding shareholders' investments. Accordingly, the Company has established a comprehensive system of risk management and internal control, encompassing clear organisational structures, well-defined policies, budgeting and regular review processes. The Executive Directors of the Group are responsible for identifying, managing, and reporting significant risks on an ongoing basis. They are entrusted with formulating and implementing plans to address identified risks and ensure appropriate controls are in place.

To mitigate risks to acceptable residual levels, Management selects appropriate control objectives and procedures based on the ISO 9001:2015 standard. In addition, the Group promotes a strong risk-aware culture, ensuring that all employees understand their role in managing and reporting risks.

Statement on Risk Management and Internal Control (Cont'd)

RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL (CONT'D)

The Board meets quarterly to discuss matters brought to its attention, thereby ensuring effective oversight of the Group's operations. During these meetings, the Board is updated on the Group's strategies, goals and performance, as well as assessments of current positions and prospects. Key risks and issues are reviewed quarterly by the Management team and addressed promptly through structured discussions and resolution processes.

The Board remains committed to maintaining a robust system of internal control and recognises that such a system must continuously evolve to reflect the Group's business activities and scale of operations. As part of this commitment, the Board will implement appropriate action plans to address potential weaknesses and further strengthen the system of internal control whenever necessary. Additionally, the Board encourages continuous improvement by periodically benchmarking the Group's controls against best practices and emerging industry standards to ensure resilience and adaptability in an evolving business environment.

KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROL ARE AS FOLLOWS:

- a functional organisation that clearly defines the level of authority and responsibilities for managing activities.
- policies and procedures, updated as necessary, are documented and formalised for compliance purposes.
- board committees established with clear terms of reference to support effective governance.
- an outsourced internal audit function that conducts periodic reviews to assess the adequacy and effectiveness of internal control and highlighting significant risks.
- monitoring of operating results against budgets, with variance analysed and addressed where necessary.
- the scheduled and ad hoc meetings are held at all levels to identify, discuss and resolve business and operating issues.
- periodic review of the Group's financial and operational performance by the Board.
- existence of organisational structure with clear responsibilities.
- active oversight by the Audit and Risk Management Committee ("ARMC"), including review of internal audit plans and follow-up actions on control issues.
- established staff policies, including a Code of Ethics communicated during employee induction, and formal guidelines governing employment matters.
- performance appraisal systems aligned with department objectives.
- ongoing training and development programmes facilitated by the Human Resource function.

The Board considers the system of internal controls described in this Statement to be adequate, with risks maintained at levels acceptable within the Group's business operations. Nevertheless, the Board acknowledges that no system can completely eliminate the possibility of human error, collusion, or other unforeseen events. For the financial period under review, the Board is satisfied that there were no material control failures or weaknesses that could have led to significant losses or contingencies requiring disclosure in the Annual Report.

INTERNAL CONTROL SYSTEM

The Group's internal control systems is aligned with the widely recognised framework developed by the Committee of Sponsoring Organizations of The Treadway Commission (COSO), which comprises five core components, i.e Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. These components provide a structured approach to internal control, with principles representing the fundamental concepts associated with each component, as outlined below:

CONTROL ENVIRONMENT

<u>Board and Board Committees</u>

Board Committees (i.e. ARMC, Nominating Committee and Remuneration Committee) have been established to carry out duties and responsibilities delegated by the Board. These committees operate under clearly defined Terms of Reference.

Meetings of the Board and Board Committees are held regularly to review the Group's financial and operational performance. Business plans and strategies proposed by Management are reviewed and approved the Board, taking into consideration the associated risks and mitigating measures.

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL CONTROL SYSTEM (CONT'D)

CONTROL ENVIRONMENT (CONT'D)

Organisation Structure and Authorisation Procedures

The Group maintains a formal organisation structure in to ensure appropriate levels of authority and responsibility are clearly defined and delegated to competent personnel. Established authority limits provide a clear framework for decision-making and control over key operational activities.

RISK ASSESSMENT

Risk assessment is conducted by designated risk owners at periodic intervals or when there are significant changes in the internal or external business environment. Identified risks are evaluated, and appropriate internal controls and risk mitigation measures are implemented to ensure that residual risks are maintained within the Group's risk appetite approved by the Board.

CONTROL ACTITIVIES

Policies and Procedures

The Group has established documented policies and procedures forming part of its internal control system. These policies and procedures are regularly reviewed and updated to ensure their continued relevance in supporting the Group's operations and business objectives.

INFORMATION AND COMMUNICATION

Relevant financial and operational information is communicated to management and the Board on a timely basis to support effective decision-making. Quarterly financial statements, including comparisons with prior periods, are presented to the Board for review.

In addition, Management provides regular updates to the Board on operational performance, market conditions, and the Group's strategic direction to ensure that the Board remains informed of key developments affecting the Group.

MONITORING ACTIVITIES

At the operational level, regular project and management meetings are conducted to monitor key operational issues, assign responsibilities, and ensure timely resolution of matters arising. Performance indicators are established to monitor operational and financial performance and to support continuous improvement.

The effectiveness of the internal control system is further enhanced through internal audit reviews, external audit observations, and compliance monitoring, including ISO certification audits conducted by internal auditors and independent external consultants.

Findings from these reviews are reported to the ARMC, and appropriate corrective actions are implemented and monitored accordingly.

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL AUDIT AND RISK MANAGEMENT FUNCTION

The Board recognises that continuous and effective monitoring is a critical component of a robust internal control system. In this regard, the Board, through the ARMC, reviews reports on internal controls prepared by the internal audit and risk management function.

The Group's internal audit and risk management function is outsourced to an independent professional firm, CAS Consulting Services Sdn. Bhd., which reports directly to the ARMC. Findings from internal audits are presented to the ARMC together with management responses and proposed action plans for review. The implementation of these action plans is monitored in subsequent audits, with progress updates reported to the ARMC.

On an annual basis, the Internal Auditors assess the effectiveness and adequacy of the Group's control procedures in mitigating key risks identified in the Group's risk profile. This approach ensures that risks are managed proactively, control weaknesses are addressed in a timely manner, and the Board maintains confidence in the integrity of the Group's internal control system.

During the financial period, internal audit review was conducted under the direction of the ARMC, based on the Group's risk exposures and areas of concern.

For the financial period ended 31 December 2025, the internal audit activities undertaken included the following:

- conducted two (2) cycles of internal audit on Revenue and Collection Cycle and Human Resources Cycle;
- engaged with Executive Director and Management on the outcome of the internal audit/review and follow up.
- reported to the ARMC, highlighting the results of internal audit/review conducted during the financial period and status of management action plans in addressing issues highlighted in preceding cycles of internal audit; and
- attended all ARMC meetings held during the financial period.

Based on the internal audit reviews conducted, there were no material control failure that would have resulted in any significant losses to the Group.

The total cost incurred for the outsourced internal audit function for the financial period ended 31 December 2025 amounted to RM26,000.

SUSTAINABILITY REPORTING

The Board acknowledges that the integration of sustainability considerations into the Group's risk management and internal control framework is being undertaken progressively. Sustainability-related risks have been identified and are being incorporated into the Group's risk management processes in a phased approach. Related controls and data management practices are also being developed and strengthened.

The Board remains committed to enhancing the integration of sustainability considerations and improving the quality and scope of related disclosures over time.

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

The Board has received assurance from the Executive Directors that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Borad is of view that the system of risk management and internal control is in place for financial period under review and, up to the date of approval of this Statement for inclusion in the Annual Report.

Statement on Risk Management and Internal Control (Cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE LR of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the Annual Report for the financial period ended 31 December 2025. Their limited assurance engagement was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

Based on their review, the external auditors have informed the Board that nothing has come to their attention to suggest that this Statement is inconsistent with their understanding of the Board's process for assessing the adequacy of the Group's internal control system.

THE BOARD'S CONCLUSION

The Board is pleased to report that the Group's risk management and internal control framework is adequate and effectively supports the Group's objective of maintaining good corporate governance. During the year under review, no significant failures or weaknesses were identified that could have had a material adverse impact on the Group's results. Additionally, the Board has received assurance from the Executive Directors that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the framework adopted by the Group. The Group will continue to strengthen its risk management and internal control framework to support the achievement of its strategic objectives, safeguard shareholders' value, and enhance organisational resilience.

This Statement is made in accordance with a resolution of the Board date 30 April 2026.

Additional Compliance Information and List of Properties

AUDIT FEE AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's External Auditors by the Group and the Company for the Financial Period Ended 31 December 2025 ("FPE 2025") are as follows:

Type of fees	Group	Company
Audit fees	360,000	112,000
Non-audit fees*	5,000	5,000
Total	365,000	117,000

* The non-audit services rendered in respect of the review of Statement on Risk Management and Internal Control.

MATERIAL CONTRACTS AND/OR CONTRACTS RELATING TO LOAN INVOLVING DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS

There were no material contracts and/or contracts relating to loan entered into outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the FPE 2025 or entered into since the end of the previous financial period.

UTILISATION OF PROCEEDS

On 17 March 2021, the Company proposed to undertake the following:

(a) Proposed Share Consolidation involving the consolidation of every 10 existing ordinary shares in the Company into 1 ("Consolidated Shares"). As at 29 March 2021, being the latest practicable date prior to the date of this report, the issued share capital of the Company comprises 1,653,990,732 shares. Pursuant to the Proposed Share Consolidation, the 1,653,990,732 shares will be consolidated into 165,399,073 Consolidated Shares.

(b) Proposed renounceable rights issue of up to 992,394,438 new Shares ("Rights Shares") together with up to 578,896,755 free detachable warrants in the Company ("Warrants A") on the basis of 12 Rights Shares together with 7 free Warrants A for every 2 existing Consolidated Shares held by the entitled shareholders on an entitlement date to be determined.

With the completion of the Rights Issue on 21 July 2021, the Company has raised total proceeds of RM99.199 million, which was utilised in the following manner:

Purposes	Proposed Utilisation (RM'000)	Relocation (RM'000)	Amount Utilised (RM'000)	Amount Unutilised (RM'000)	Timeframe for the utilisation of proceeds
Development of Yayasan Project	66,683	(10,735)	55,948	-	21 July 2025
Financing of the Factory Project	31,816	-	31,816	-	21 July 2022
Working Capital for construction projects	-	10,735	10,735	-	21 July 2025
Estimated expenses for the Corporate Exercise	700	-	700	-	Immediate
Total	99,199	-	99,199	-	

Additional Compliance Information and List of Properties

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company has established and implemented an Employees' Share Option Scheme ("ESOS") of not more than 30% of the issued shares of the Company with effect from 18 December 2020 and the ESOS is governed by its By-Laws approved by the shareholders at an Extraordinary General Meeting held on 12 November 2020. The Company had extended the ESOS which is expiring on 17 December 2025 for a further duration of 5 years until 17 December 2030 in accordance with terms of the ESOS By-Laws.

The information in relation to the ESOS is as follows:

(a) Total number of options granted, execised and outstanding during the FPE 2025 under review are as follows:

Number of options	Grand Total	Directors and Chief Executive
Outstanding as at 1 July 2024	–	–
Granted	–	–
Exercised	–	–
Lapsed	–	–
Outstanding as at 31 December 2025	–	–

(b) Percentages of options applicable to Directors and senior management under the ESOS during the financial year and since its commencement up to the FPE 2025 are set out below:

	Percentage of options (%)	
Directors and senior management	During the financial period	Since commencement up to 31 December 2025
(i) Aggregate maximum allocation	–	80.00%
(ii) Actual options granted	–	22.40%

(c) No options were granted to the Non-Executive Directors under ESOS since its commencement up to the FPE 2025.

SHARE BUY-BACK

There were no share buy-back by the Company during the financial period.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any option, warrants or convertible securities during the financial period.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not announce any profit estimate, forecast or projection during the financial period.

PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial period.

Additional Compliance Information and List of Properties

RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions during the financial period ended 31 December 2025

VARIATION IN RESULTS

There was no significant variation in results (differ by 10% or more) from unaudited result announced.

LIST OF PROPERTIES

Location	Description / Existing Use	Acquisition Date / Revaluation Date	Tenure / Approximate Age Of Building	Audited Net Book Value As At 31 December 2025 (RM'000)
2-63, Festival Walk @ Ipoh, Jalan Medan Ipoh 1, Medan Ipoh Bistari, 31400 Ipoh, Perak	Completed commercial retail lot measuring in area approximately 10,467 sq. ft.	28 January 2014 / 12 September 2017	99 years leasehold interest expiring on 31 July 2107/ 12 years	2,253
2-63A, Festival Walk @ Ipoh, Jalan Medan Ipoh 1, Medan Ipoh Bistari, 31400 Ipoh, Perak	Completed commercial retail lot measuring in area approximately 11,529 sq. ft.	28 January 2014 / 12 September 2017	99 years leasehold interest expiring on 31 July 2107/ 12 years	2,403
30, Jalan Surian 3, Taman Surian, 71700 Mantin, Negeri Sembilan	Completed double-storey landed house measuring in area approximately 1,302 sq. ft.	26 June 2020	Freehold	363
No.1, Jalan SS24/11, Taman Megah, 47301 Petaling Jaya, Selangor	Completed three-storey shop house measuring in area approximately 4,033 sq. ft	15 July 2022	Freehold	7,299

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Group	
	31.12.2025 (RM)	30.06.2024 (RM)
Total income		
Revenue	103,918,299	74,869,836
Interest/Finance income	4,262	57,895
Share of profit of associates	185,061	-
Other income	228,230	414,327
Total	104,335,852	75,342,058
Total asset	154,758,535	189,049,888

Additional Compliance Information and List of Properties

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(b) Business Activities

	Group	
	31.12.2025 (RM)	**30.06.2024 (RM)**
Shariah Non-Compliant Activities		
Interest income	1,827	52,894
Total	1,827	52,894

(c) Component of Financial Position

(i) Cash Component

	Group	
	31.12.2025 (RM)	**30.06.2024 (RM)**
Islamic Account/Instruments		
Cash at Bank	1,075,387	1,740,148
Total Cash	1,075,387	1,740,148
Conventional Account/Instruments		
Deposits with licensed bank	264,365	3,286,610
Cash at Bank	7,307,996	6,936,368
Total Cash	7,572,361	10,222,978

(ii) Debt Component

	Group	
	31.12.2025 (RM)	**30.06.2024 (RM)**
Islamic Financing		
Current		
Medium term notes	-	1,598,211
Lease liabilities (Hire purchase payables)	25,220	23,141
Non-current		
Medium term notes	-	7,926,775
Lease liabilities (Hire purchase payables)	146,874	181,453
Total Financing	172,094	9,524,986
Conventional Borrowing		
Current		
Bank overdrafts	1,959,539	2,461,894
Lease liabilities (Hire purchase payables)	101,175	70,902
Non-current		
Lease liabilities (Hire purchase payables)	184,904	211,606
Total Financing	2,245,638	2,744,402

Directors' Responsibility Statement

In Respect of Audited Financial Statements For The Financial Period Ended 31 December 2025

The Directors are required by the Companies Act 2016 ("the Act") and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad to prepare the financial statements for each financial year in accordance with applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and requirements of the Act in Malaysia.

The Directors are responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company for the financial period ended 31 December 2025. Where there are new accounting standards or policies that become effective during the period, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensure that all applicable accounting standards have been followed; and
- prepared financial statements on a "going concern" basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

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

This Statement was approved by the Board of Directors of the Company on 30 April 2026.

Financial Statements

Directors' Report

The directors of **MIDTOWN GROUP BERHAD** (formerly known as Pasukhas Group Berhad) hereby submit their report and the audited financial statements of the Group and of the Company for the financial period 1 July 2024 to 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services.

The information on the name of subsidiaries, principal place of business, principal activities and effective equity interest held by the Company in each subsidiary is as disclosed in Note 15 to the financial statements.

CHANGE OF NAME

The Company has changed its name from Pasukhas Group Berhad to Midtown Group Berhad on 18 December 2025.

CHANGE OF FINANCIAL YEAR END

The Group and the Company have changed their financial year end from 30 June to 31 December. Accordingly, the current financial statements are prepared for eighteen months from 1 July 2024 to 31 December 2025, while the previous financial statements were prepared for twelve months from 1 July 2023 to 30 June 2024. As a result, the comparative figures stated in the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and related notes are not comparable.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial period are as follows:

	Group RM	Company RM
Loss for the financial period from:		
Continuing operations	(44,734,245)	(81,763,492)
Discontinued operation	(94,760)	-
	(44,829,005)	(81,763,492)
Loss for the financial period attributable to:		
Owners of the Company	(44,620,608)	(81,763,492)
Non-controlling interests	(208,397)	-
	(44,829,005)	(81,763,492)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend payment in respect of the current financial period.

RESERVES AND PROVISIONS

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

Directors' Report (Cont'd)

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company proposes to undertake the Proposed Share Capital Reduction by entails the reduction and cancellation of RM115,000,000 of the issued share capital of the Company pursuant to Section 116 of the Companies Act, 2016 in Malaysia. The corresponding credit of RM115,000,000 arising from such cancellation will be utilised to set off the accumulated losses of the Company, if any, will be credited to the retained earnings of the Company. The Proposed Share Capital Reduction will not result in any adjustment to Company's share price, total number of ordinary shares in issue, cash outflows or net assets.

On 11 August 2025, the Company completed the Proposed Share Capital Reduction.

There were no issuance of shares or debentures during the financial period.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial period to take up unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial period, there were no unissued shares of the Company under options.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company is governed by the ESOS By-Laws and was approved by shareholders at the Extraordinary General Meeting held on 12 November 2020. The ESOS is to be in force for a period of 5 years effective from 18 December 2020 to 17 December 2025.

On 10 December 2025, the Board of Directors has approved the extension of the ESOS for a further period of 5 years from 18 December 2025 to 17 December 2030 in accordance with ESOS By-Laws.

The details and salient features of the ESOS are disclosed in Note 31 to the financial statements.

As at 31 December 2025, no share options were granted under the ESOS.

WARRANTS A 2021/2024 ("WARRANTS A")

On 21 July 2021, the Company issued 578,660,588 free detachable warrants on a renounceable basis of twelve (12) Rights Shares together with seven (7) warrants for every two (2) existing shares held by the entitled shareholders on 21 June 2021.

On 18 April 2023, the Company was involved in a share consolidation for every 10 existing shares into 1 Consolidated Share. Pursuant to the Share Consolidation, the exercise price and the number of outstanding Warrants A which are not exercised prior to the entitlement date has been adjusted in accordance with the provisions of the Deed Poll A to RM1 each and 57,866,058 number of existing warrants.

As at 31 December 2025, the summary of movements of warrants is as follows:

		Number of warrants			
Issue Date	**Expiry Date**	**As at 1.7.2024**	**Exercised**	**Lapsed**	**As at 31.12.2025**
15.7.2021	12.7.2024	57,866,058	-	(57,866,058)	-

The details and salient features of the Warrants A are disclosed in Note 32 to the financial statements.

Up to end of the exercised period of the Warrants A on 12 July 2024, the 57,866,058 Warrants A not exercised were delisted from the Official List of Bursa Malaysia Securities Berhad on 15 July 2024.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

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

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) 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; or

(d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial period in which this report is made.

DIRECTORS

The directors of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Mejar Dato' Ismail bin Ahmad
Dato' Nik Ismail bin Dato' Nik Yusoff
Teoh Kim Hooi
Tang Boon Koon*
Lim Kian Seong* (Appointed on 5 February 2025)
Charissa Lim Zhu Ai (Appointed on 20 June 2025)
Mak Siew Wei (Resigned on 15 November 2024)
Tan Yee Ping (Resigned on 21 March 2025)

* Director of the Company and certain of its subsidiaries

DIRECTORS (CONT'D)

Other than as stated above, the directors of the subsidiaries in office during the financial period and during the period from the end of the financial period to the date of this report are:

Ng Kim Keong
Wan Thean Hoe (Resigned on 4 February 2025)
Chin Jit Pyng (Resigned on 22 May 2025)
Lau Tong Hwee (Appointed on 19 February 2025 and resigned on 29 May 2025)
Tan Sik Eek (Appointed on 22 May 2025 and resigned on 31 October 2025)

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests in the shares of the Company of those who were directors at the end of the financial period according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia are as follows:

	Number of ordinary shares			
	As at 1.7.2024	**Bought**	**Sold**	**As at 31.12.2025**
Interest in the Company				
Direct interests				
Tang Boon Koon	100,000	-	-	100,000
Teoh Kim Hooi	390,000	-	(240,000)	150,000

In addition to the above, the following director has interest in the shares of the Company, by virtue of the warrants of the Company:

	Number of warrants			
	As at 1.7.2024	**Bought**	**Lapsed**	**As at 31.12.2025**
Interest in the Company				
Direct interest				
Teoh Kim Hooi	210,000	-	(210,000)	-

By virtue of the above directors' interest in the shares of the Company, they are deemed to have beneficial interest in the shares of all the subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during or at the beginning and end of the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of full-time employees of the Company as disclosed below) 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.

Directors' Report (Cont'd)

DIRECTORS' BENEFITS (CONT'D)

The details of the directors' remuneration of the Group and of the Company for the financial period 1 July 2024 to 31 December 2025 are as follows:

	Group RM	Company RM
Executive directors:		
Fees	288,000	154,500
Salaries and other emoluments	700,698	492,069
Defined contribution plans	93,196	61,972
	1,081,894	708,541
Non-executive directors:		
Fees	261,923	261,923
	1,343,817	970,464

During and at the end of the financial period, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for any directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

SIGNIFICANT EVENTS

The details of significant events are disclosed in Notes 15 and 27 to the financial statements.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for financial period 1 July 2024 to 31 December 2025 are as follows:

	Group RM	Company RM
Auditors' remuneration:		
Statutory audit	360,000	112,000
Non-statutory audit	5,000	5,000
	365,000	117,000

AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

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

TANG BOON KOON

LIM KIAN SEONG

Petaling Jaya
30 April 2026

Statement by Directors

The directors of MIDTOWN GROUP BERHAD (formerly known as Pasukhas Group Berhad) state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and their cash flows for the financial period 1 July 2024 to 31 December 2025.

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

TANG BOON KOON

LIM KIAN SEONG

Petaling Jaya
30 April 2026

Declaration by the Director Primarily Responsible for the Financial Management of the Company

I, **TANG BOON KOON**, the director primarily responsible for the financial management of **MIDTOWN GROUP BERHAD** (formerly known as Pasukhas Group Berhad), do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

TANG BOON KOON

Subscribed and solemnly declared by
the abovenamed **TANG BOON KOON**
at **PETALING JAYA** in the State of
Selangor Darul Ehsan on 30 April 2026.

Before me,

COMMISSIONER FOR OATHS

Independent Auditors' Report

To the Members of Midtown Group Berhad (Formerly Known As Pasukhas Group Berhad)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MIDTOWN GROUP BERHAD** (formerly known as Pasukhas Group Berhad), which comprise the statements of financial position as at 31 December 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 period 1 July 2024 to 31 December 2025, and notes to the financial statements, including material accounting policy information, as set out on pages 78 to 150.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial period 1 July 2024 to 31 December 2025 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matters	How the matter was addressed in the audit
Revenue recognition for construction contracts	
Refer to Notes 3, 4 and 6 to the financial statements for the Group's accounting policies on revenue recognition from construction contracts, key sources of estimation uncertainty and related disclosures. For the financial period 1 July 2024 to 31 December 2025, the Group's revenue from construction contracts amounted to RM103,414,299, which represents 99% of the Group's revenue from continuing operations. Revenue from construction contracts is recognised over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total budgeted contract costs. We determined this to be a key audit matter given its magnitude relative to the Group's revenue as well as the significant judgement and estimation involved in budgeting process in determining the total budgeted contract costs.	Our audit procedures, amongst other included the following: (i) Obtained an understanding of the relevant process and internal control in respect of revenue recognition for construction contracts and performed procedures to evaluate design and implementation of such control. (ii) Evaluated the terms and conditions of construction contracts/letter of awards with customers to ascertain that revenue is recognised over time in line with the Group's policy and in compliance with the requirements of MFRS 15 Revenue from Contracts with Customers. (iii) Assessed the construction contracts/letter of awards entered into between the customers and the Group and evaluated the details of the construction contracts/letter of awards to ensure revenue is recognised appropriately.

Key Audit Matters (Cont'd)

<table>
<tr><th>Key audit matters</th><th>How the matter was addressed in the audit</th></tr>
<tr><td></td><td>(iv) Evaluated the reasonableness and appropriateness of the estimated total budgeted contract costs by:

• Challenged management's assumptions and estimates used in determining the total budgeted contract costs.
• Performed retrospective review of previously approved budgeted contract costs to assess the reliability of management's cost estimates.
• Interviewed management's project team personnel to assess the achievability of the remaining budgeted contract costs required to complete.

(v) Performed test of details on selected contract costs incurred to the relevant supporting documents such as contractors' progress claims or suppliers' invoices, where costs have not been billed or certified, assessed the adequacy of management's accruals of such costs by reviewing to subsequent contractors' claims or supplier invoices through performed search for unrecorded liabilities.

(vi) Performed site visits on selected projects and interviewed the project site personnel to evaluate (i) whether there were any indicators of delay of the project and (ii) whether the percentage of completion determined on a cost-to-cost basis was reasonable.

(vii) Checked the mathematical accuracy of the revenue and cost recognised based on percentage of completion calculations.</td></tr>
<tr><td>Recoverability of receivables and contract assets

Refer to Notes 3, 4, 20, 21 and 22 to the financial statements for the Group's accounting policies on impairment of financial assets, key sources of estimation uncertainty and related disclosures.

As at 31 December 2025, the Group recorded trade receivables and contract assets of RM35,171,360 and RM18,121,314, which represents 23% and 12% of the Group's total assets, respectively. The Company recorded other receivables of RM50,063,272, which represents 51% of the Company's total assets.

We determined this to be a key audit matter given the material balances of receivables and contract assets to the Group's and the Company's total assets as well as the significant judgement and estimation involved in the following areas:

• Determining the expected credit losses based on historical observed default rates and forward-looking information.
• Estimates on the amount and timing of future cash flows expected to be received.</td><td>Our audit procedures, amongst other, included the following:

(i) Obtained an understanding of the Group's methodology for expected credit loss model on how the Group determine the allowance for expected credit losses for receivables and contract assets.

(ii) Assessed the reasonableness of expected credit loss model by evaluated allowance for expected credit losses calculated based on the historical default rate and forward-looking information.

(iii) Tested the accuracy and completeness of the data used in the assessment.

(iv) Inquired management regarding the action plans to recover and challenged management's assumptions on the recoverability of overdue amounts and specific allowance for expected credit loss made on certain receivables and contract assets.

(v) Assessed the billing of contract assets and collection of receivables subsequent to the end of the financial period.</td></tr>
</table>

Independent Auditors' Report (Cont'd)

To the Members of Midtown Group Berhad (Formerly Known As Pasukhas Group 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 performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report (Cont'd)

To the Members of Midtown Group Berhad (Formerly Known As Pasukhas Group Berhad)

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period 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 Matter

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.

MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants

KHOO TIEN SHING
03806/12/2027 J
Chartered Accountant

Petaling Jaya
30 April 2026

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Period 1 July 2024 to 31 December 2025

	Note	Group 1.7.2024 to 31.12.2025 (18 months) RM	Group 1.7.2023 to 30.6.2024 (12 months) RM	Company 1.7.2024 to 31.12.2025 (18 months) RM	Company 1.7.2023 to 30.6.2024 (12 months) RM
Continuing operations					
Revenue	6	103,918,299	74,869,836	-	-
Cost of sales		(115,913,544)	(78,122,073)	-	-
Gross loss		(11,995,245)	(3,252,237)	-	-
Other operating income		232,492	472,222	15,168	31,640
Gain on derecognition of subsidiaries		358,610	3,935,838	-	-
Administrative expenses		(13,481,293)	(8,085,438)	(3,556,494)	(3,406,327)
Other expenses		(9,487,719)	(7,153,637)	(108,181,616)	(6,606,550)
Finance costs		(867,611)	(879,563)	(5,009)	(6,121)
(Impairment losses)/Reversal of impairment losses on financial assets and contract assets	7	(9,849,364)	(3,091,529)	29,964,459	(47,014,137)
Share of associate's result	16	185,061	-	-	-
Loss before tax	8	(44,905,069)	(18,054,344)	(81,763,492)	(57,001,495)
Income tax credit/(expense)	10	170,824	(66,052)	-	-
Loss from continuing operations		(44,734,245)	(18,120,396)	(81,763,492)	(57,001,495)
Discontinued operation					
(Loss)/Profit from discontinued operation, net of tax	26	(94,760)	1,017,655	-	-
Loss for the financial period/year		(44,829,005)	(17,102,741)	(81,763,492)	(57,001,495)
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss, net of tax					
Exchange differences on translating foreign operations		244	-	-	-
Total comprehensive loss for the financial period/year		(44,828,761)	(17,102,741)	(81,763,492)	(57,001,495)
Loss for the financial period/year attributable to:					
Owners of the Company		(44,620,608)	(16,943,409)	(81,763,492)	(57,001,495)
Non-controlling interests		(208,397)	(159,332)	-	-
		(44,829,005)	(17,102,741)	(81,763,492)	(57,001,495)
Total comprehensive loss for the financial period/year attributable to:					
Owners of the Company		(44,620,364)	(16,943,409)	(81,763,492)	(57,001,495)
Non-controlling interests		(208,397)	(159,332)	-	-
		(44,828,761)	(17,102,741)	(81,763,492)	(57,001,495)

	Note	Group 1.7.2024 to 31.12.2025 (18 months)	Group 1.7.2023 to 30.6.2024 (12 months)
Basic/Diluted (loss)/earnings per ordinary share (sen)			
From continuing operations	11	(23.37)	(9.43)
From discontinued operation	11	(0.05)	0.53
		(23.42)	(8.90)

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 31 December 2025

		Group		Company	
		31.12.2025	**30.6.2024**	**31.12.2025**	**30.6.2024**
	Note	**RM**	**RM**	**RM**	**RM**
ASSETS					
Non-current Assets					
Plant and equipment	12	2,356,970	1,591,272	111,980	225,208
Right-of-use assets	13	520,116	527,788	-	71,846
Investment properties	14	12,317,797	12,707,737	-	-
Investment in subsidiaries	15	-	-	41,146,618	35,757,068
Investment in associates	16	2,785,061	1	-	1
Other investments	17	17,747,942	25,603,026	-	-
Trade receivables	20	22,848,274	-	-	-
Other receivables	21	-	-	22,848,274	-
Total Non-current Assets		58,576,160	40,429,824	64,106,872	36,054,123
Current Assets					
Inventories	19	36,233,074	-	-	-
Trade receivables	20	12,323,086	25,215,748	-	-
Other receivables, deposits and prepayments	21	20,858,153	31,248,128	27,214,998	68,166
Contract assets	22	18,121,314	39,238,137	-	-
Amount due from subsidiaries	23	-	-	2,797,030	107,392,074
Amount due from an associate	24	-	26,410,933	-	26,410,933
Tax recoverable		-	19,799	-	-
Deposits with licensed banks	25	264,365	3,286,610	264,365	3,258,110
Cash and bank balances		8,382,383	8,676,516	3,919,614	61,430
		96,182,375	134,095,871	34,196,007	137,190,713
Assets held for sales	26	-	14,524,193	-	-
Total Current Assets		96,182,375	148,620,064	34,196,007	137,190,713
Total Assets		154,758,535	189,049,888	98,302,879	173,244,836
EQUITY AND LIABILITIES					
Capital and Reserve					
Share capital	27	109,232,852	224,232,852	109,232,852	224,232,852
Merger deficit	28	(10,500,000)	(10,500,000)	-	-
Fair value reserve	29	17,000	17,000	-	-
Foreign exchange translation reserve	30	(3,116)	(3,360)	-	-
Warrant reserve	32	-	35,067,040	-	35,067,040
Accumulated losses		(7,012,331)	(112,458,763)	(20,116,398)	(88,419,946)
Equity attributable to owners of the Company		91,734,405	136,354,769	89,116,454	170,879,946
Non-controlling interests	15	(1,302,073)	(1,093,676)	-	-
Total Equity		90,432,332	135,261,093	89,116,454	170,879,946
Non-current Liabilities					
Lease liabilities	33	435,331	441,678	32,594	75,587
Islamic medium term notes	34	-	7,926,775	-	-
Deferred tax liabilities	18	36,384	368,553	-	-
Trade payables	35	825,913	-	-	-
Total Non-current Liabilities		1,297,628	8,737,006	32,594	75,587

Statements of Financial Position (Cont'd)

As at 31 December 2025

		Group		Company	
		31.12.2025	30.6.2024	31.12.2025	30.6.2024
	Note	RM	RM	RM	RM
Current Liabilities					
Trade payables	35	25,335,166	24,938,745	-	-
Other payables and accruals	36	12,994,150	5,786,075	957,285	446,489
Redeemable preference shares	37	13,089,000	-	-	-
Amount due to subsidiaries	23	-	-	8,159,884	1,815,604
Contract liabilities	22	9,113,743	9,002,227	-	-
Lease liabilities	33	234,849	145,289	36,662	27,210
Islamic medium term notes	34	-	1,598,211	-	-
Bank overdrafts	38	1,959,559	2,461,894	-	-
Tax payables		302,108	107,733	-	-
		63,028,575	44,040,174	9,153,831	2,289,303
Liabilities of disposal group	26	-	1,011,615	-	-
Total Current Liabilities		63,028,575	45,051,789	9,153,831	2,289,303
Total Liabilities		64,326,203	53,788,795	9,186,425	2,364,890
Total Equity and Liabilities		154,758,535	189,049,888	98,302,879	173,244,836

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Period 1 July 2024 to 31 December 2025

	Note	Share Capital RM	Merger Deficit RM	Fair Value Reserve RM	Foreign Exchange Translation Reserve RM	Warrant Reserve RM	Accumulated Losses RM	Sub-total RM	Non-controlling Interests RM	Total Equity RM
		Attributable to owners of the Company								
		Non-distributable								
Group										
31.12.2025										
At beginning of the financial period		224,232,852	(10,500,000)	17,000	(3,360)	35,067,040	(112,458,763)	136,354,769	(1,093,676)	135,261,093
Loss for the financial period		-	-	-	-	-	(44,620,608)	(44,620,608)	(208,397)	(44,829,005)
Other comprehensive income for the financial period		-	-	-	244	-	-	244	-	244
Total comprehensive income/(loss) for the financial period		-	-	-	244	-	(44,620,608)	(44,620,364)	(208,397)	(44,828,761)
Transactions with owners:										
Share capital reduction	27	(115,000,000)	-	-	-	-	115,000,000	-	-	-
Expiry of warrants	32	-	-	-	-	(35,067,040)	35,067,040	-	-	-
		(115,000,000)	-	-	-	(35,067,040)	150,067,040	-	-	-
At end of the financial period		109,232,852	(10,500,000)	17,000	(3,116)	-	(7,012,331)	91,734,405	(1,302,073)	90,432,332
30.6.2024										
At beginning of the financial year		224,232,852	(10,500,000)	17,000	(3,360)	35,067,040	(95,515,354)	153,298,178	(934,344)	152,363,834
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(16,943,409)	(16,943,409)	(159,332)	(17,102,741)
At end of the financial year		224,232,852	(10,500,000)	17,000	(3,360)	35,067,040	(112,458,763)	136,354,769	(1,093,676)	135,261,093

Statements of Changes in Equity (Cont'd)

For the Financial Period 1 July 2024 to 31 December 2025

	Note	Share Capital RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
Company					
31.12.2025					
At beginning of the financial period		224,232,852	35,067,040	(88,419,946)	170,879,946
Loss for the financial period, representing total comprehensive loss for the financial period		-	-	(81,763,492)	(81,763,492)
Transactions with owners:					
Share capital reduction	27	(115,000,000)	-	115,000,000	-
Expiry of warrants	32	-	(35,067,040)	35,067,040	-
		(115,000,000)	(35,067,040)	150,067,040	-
At end of the financial period		109,232,852	-	(20,116,398)	89,116,454

	Share Capital RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
Company				
30.6.2024				
At beginning of the financial year	224,232,852	35,067,040	(31,418,451)	227,881,441
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(57,001,495)	(57,001,495)
At end of the financial year	224,232,852	35,067,040	(88,419,946)	170,879,946

Statements of Cash Flows

For the Financial Period 1 July 2024 to 31 December 2025

	Group		Company	
	1.7.2024 to 31.12.2025 (18 months) RM	**1.7.2023 to 30.6.2024 (12 months) RM**	**1.7.2024 to 31.12.2025 (18 months) RM**	**1.7.2023 to 30.6.2024 (12 months) RM**
CASH FLOWS USED IN) OPERATING ACTIVITIES				
(Loss)/Profit before tax:				
Continuing operation	(44,905,069)	(18,054,344)	(81,763,492)	(57,001,495)
Discontinued operation	(94,760)	1,030,064	-	-
Adjustments for:				
Amortisation of transaction costs capitalised	50,895	101,789	-	-
Bad debt written off	1,495,049	8,526	-	-
Depreciation of:				
Investment properties	389,940	301,261	-	-
Plant and equipment:				
Continuing operation	720,358	537,245	70,634	49,931
Discontinued operation	-	1,816,067	-	-
Right-of-use assets:				
Continuing operation	419,486	313,295	71,846	168,888
Discontinued operation	-	79,264	-	-
Fair value loss on other investments	7,855,084	2,103,007	-	-
Loss/(Gain) on disposal of:				
Other investments	-	(231,637)	-	-
Plant and equipment	8,902	-	-	-
Impairment losses on:				
Amount due from subsidiaries	-	-	22,664,256	47,014,137
Assets held for sale	-	3,861,493	-	-
Contract assets	1,584,357	3,114,539	-	-
Investment in an associate	-	29,999	-	29,999
Investment in subsidiaries	-	-	107,983,451	6,357,730
Trade receivables	5,663,325	2,160,348	-	-
Other receivables	2,901,580	-	3,018,181	-
Reversal of impairment losses:				
Contract assets	(299,898)	(1,958,163)	-	-
Trade receivables	-	(225,195)	-	-
Amount due from subsidiaries	-	-	(55,646,896)	-
Investment in associate	(29,999)	-	-	-
Gain on derecognition of subsidiaries	(358,610)	(3,935,838)	-	-
Unrealised loss/(gain) on foreign exchange	35	(11,664)	-	-
Written off of plant and equipment	91,558	11,235	53,733	-
Interest income	(4,262)	(37,412)	(537)	(31,640)
Interest expense	867,611	879,563	5,009	6,121
Share of associate's result	(185,061)	-	-	-
Operating loss before working capital changes	(23,829,479)	(8,106,558)	(3,543,815)	(3,406,329)
Changes in working capital:				
Inventories	(165,192)	(1,326,419)	-	-
Contract assets	19,943,880	3,536,959	-	-
Trade and other receivables	(7,476,060)	(28,703,393)	(53,013,287)	(3,446)
Trade and other payables	1,404,890	9,368,668	510,796	238,268
Cash flow used in operating activities	(10,121,961)	(25,230,743)	(56,046,306)	(3,171,507)
Tax refunded	106,688	50,720	-	-
Tax paid	(53,859)	(34,139)	-	-
Net cash used in operating activities	(10,069,132)	(25,214,162)	(56,046,306)	(3,171,507)

Statements of Cash Flows (Cont'd)

For the Financial Period 1 July 2024 to 31 December 2025

	Group		Company	
	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of:				
Other investment	-	(8,575,220)	-	-
Plant and equipment	(1,598,546)	(50,507)	(11,139)	(20,409)
Right-of-use assets	(28,095)	-	-	-
Acquisition of additional shares in an associate	(2,600,000)	(29,999)	-	(29,999)
Repayment from/(Advances to) subsidiaries	-	-	50,615,617	(9,142,405)
Repayment from an associate	11,484,053	30,993,897	-	8,272,534
Interest income	4,262	37,412	537	31,640
Changes in pledged deposits	2,993,745	2,080,476	2,993,745	2,080,476
Net cash inflow from:				
Disposal of a subsidiary	3,940,524			
Net cash outflow from:				
Derecognition of a subsidiary	-	(100,361)	-	-
Assets held of sales	-	(873,826)	-	-
Net cash inflow from acquisition of a subsidiary	7,803	-	-	-
Proceeds from disposal of:				
Other investments	-	5,133,412	-	-
Plant and equipment	14,136	-	-	-
Net cash from investing activities	14,217,882	28,615,284	53,598,760	1,191,837
CASH FLOWS (USED IN)/ FROM FINANCING ACTIVITIES				
Repayment of lease liabilities	(300,507)	(324,520)	(33,541)	(152,159)
Interest paid	(867,611)	(879,563)	(5,009)	(6,121)
Repayment of Islamic medium term notes	(50,895)	(1,600,000)	-	-
Advances from subsidiaries	-	-	6,344,280	1,815,604
Redemption of redeemable preference share	(2,750,000)	-	-	-
Net cash (used in)/from financing activities	(3,969,013)	(2,804,083)	6,305,730	1,657,324
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	179,737	597,039	3,858,184	(322,346)
Effects of currency translation difference	(35)	11,664	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD/YEAR	6,243,122	5,634,419	61,430	383,776
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR	6,422,824	6,243,122	3,919,614	61,430

Statements of Cash Flows (Cont'd)

For the Financial Period 1 July 2024 to 31 December 2025

	Group		Company	
	1.7.2024 to 31.12.2025 (18 months) RM	**1.7.2023 to 30.6.2024 (12 months) RM (Restated)**	**1.7.2024 to 31.12.2025 (18 months) RM**	**1.7.2023 to 30.6.2024 (12 months) RM**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD/YEAR COMPRISE:				
Deposits with licensed banks	264,365	3,286,610	264,365	3,258,110
Cash and bank balances	8,382,383	8,676,516	3,919,614	61,430
Bank overdrafts	(1,959,559)	(2,461,894)	-	-
	6,687,189	9,501,232	4,183,979	3,319,540
Less: Deposits pledged to licensed banks and/or with maturity period more than 3 months	(264,365)	(3,258,110)	(264,365)	(3,258,110)
	6,422,824	6,243,122	3,919,614	61,430
(a) Cash outflows for leases as a lessee				
Included in net cash from operating activities:				
Payment relating to short-term leases	(9,000)	(11)	-	-
Included in net cash from financing activities:				
Interest paid in relation lease liabilities	(49,194)	(31,350)	(5,009)	(6,121)
Payment of lease liabilities	(300,507)	(324,520)	(33,541)	(152,159)
Total cash outflows for leases	(358,701)	(355,881)	(38,550)	(158,280)

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements
For the Financial Period 1 July 2024 to 31 December 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company has changed its name from Pasukhas Group Berhad to Midtown Group Berhad ("MGB") on 18 December 2025.

During the current financial period, the financial year end of the Group and of the Company had changed from 30 June to 31 December. Accordingly, the financial statements of the Group and of the Company for the current financial period are drawn up for a period of eighteen months from 1 July 2024 to 31 December 2025, whereas comparative amounts are presented for a period of twelve months from 1 July 2023 to 30 June 2024. Therefore, the amounts presented in statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows are not comparable with the amounts presented for comparative period.

The registered office of the Company at A3-3-8 Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan, Malaysia. With effective on 1 November 2024, the registered office changed to 1-10, Medan Perniagaan Pauh Jaya, Jalan Baru, 13700 Perai, Pulau Pinang.

The principal place of business of the Company is located at DF2-11-01, Level 11, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Resort, 47410 Petaling Jaya, Selangor Darul Ehsan. With effective on 23 December 2025, the principal place of business changed to Lot 13.2, Level 13, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries is disclosed in Note 15.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 30 April 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of amendments to MFRSs

During the financial period, the Group and the Company have adopted the following MFRS and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Agreements

The adoption of these amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

New standards and amendments to MFRSs in issue but not yet effective

The Group and Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

Amendments to MFRS 121	Lack of Exchangeability[1]
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity [2]
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11[2]
MFRS 18	Presentation and Disclosure in Financial Statements[3]
MFRS 19	Subsidiaries without Public Accountability: Disclosure[3]
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosure[3]
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of between an Investor and its Associate or Joint Venture[4]

[1] Effective for annual periods beginning on or after 1 January 2025.
[2] Effective for annual periods beginning on or after 1 January 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.
[4] Deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable. The adoption of these new MFRSs and amendments to MFRSs may not have an impact on the financial statements of the Group and of the Company in the period of initial application except as further discussed below:

<u>MFRS 18 Presentation and Disclosure in Financial Statements</u>

MFRS 18 *Presentation and Disclosure in Financial Statements* sets out overall requirements for the presentation and disclosure in the financial statements, and will replace MFRS 101 *Presentation of Financial Statements* upon its adoption. The International Accounting Standard Board ("IASB") did not reconsider all aspects of MFRS 101 when developing MFRS 18, but instead focused on the statement of profit or loss. The IASB retained some paragraphs from MFRS 101 in MFRS 18 and moved some paragraphs from MFRS 101 to MFRS 108 *Basis of Preparation of Financial Statements* and MFRS 7 *Financial Instruments: Disclosures*.

MFRS 18 aims to improve financial reporting by:

- requiring an entity to classify income and expenses including in the statement of profit or loss into five categories, namely operating, investing, financing, income taxes and discontinued operations;
- requiring an entity to present two new defined subtotals in the statement of profit or loss, including "operating profit or loss" and "profit or loss before financing and income taxes";
- requiring an entity to disclose management-defined performance measure; and
- adding new principles for aggregation and disaggregation of items.

An entity is required to apply MFRS 18 for annual periods beginning on or after 1 January 2027, with earlier application permitted. MFRS 18 requires retrospective application with specific transition provisions.

The adoption of MFRS 18 may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effects from the adoption of MFRS 18 until the Group and the Company undertake a detailed review.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost unless otherwise indicated in the accounting policy information below.

Functional and presentation currency

Items included in the financial statements of the Group and of the Company are measured using the currency of the primary economic environment is which the Group and the Company operate (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency. All financial information is presented in RM.

Basis of consolidation

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of a business and control is transferred to the Group.

A business combination involving entities under common control is a business combination in which all the combining subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combine are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between the carrying value of the investment in subsidiaries and the share capital of the Company's subsidiaries is taken to merger reserve.

Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable assets.

Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses.

Goodwill on consolidation

Goodwill arising from business combination represents the excess of cost of acquisition over the Group's interest in the fair value of the acquiree's identifiable assets and liabilities and is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses.

Investment in associates

Investment in associates is accounted for in the consolidated financial statements of the Group using the equity method.

In the Company's separate financial statements, investment in associates is stated at cost less accumulated impairment losses.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Plant and equipment are depreciated on straight-line basis to write off the cost and valuation of each asset to its residual value over estimated useful life.

Air conditioners	10%
Cabin container	10%
Computer and software	40%
Mini hydro power plant	Remaining lease period
Motor vehicles	20%
Office equipment, furniture and fittings	10%
Plant and machinery	10%
Renovation	10%
Road infrastructure	20%

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Leases - as lessor

The Group recognises lease payments received from rental under operating leases as income on a straight-line basis over the lease term as part of revenue.

Leases - as lessee

The right-of-use ("ROU") assets under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of plant and equipment.

The Group's and the Company's ROU assets consist of office building, motor vehicles and store as disclosed in Note 13.

The ROU assets are subject to impairment.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased.

Investment properties

Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The estimated annual useful lives as follows:

Leasehold commercial buildings	Remaining lease period
Freehold residential building	50 years
Freehold commercial buildings	50 years

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (cont'd)

(b) Fair value through other comprehensive income

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("OCI") on an investment-by-investment basis.

Financial assets categorised as fair value through other comprehensive income ("FVOCI") are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value adjustment reserve in equity. For equity instruments, the gains or losses are never reclassified to profit or loss.

(c) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on a lifetime ECL at each reporting date. The Group and the Company have established an expected credit loss model that is based on its historical cash collection performance, adjusted for forward-looking factors specific to the debtors and the economic environment.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and

- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

Inventories

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

<u>Property development costs</u>

Property development costs are determined based on a specific identification basis. Property development costs comprising cost of land, direct materials, direct labour, other direct costs and related overheads incurred that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

Property development costs for which work has been undertaken and development activities are expected to be completed within the normal operating cycle, are classified as current asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the progress billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the progress billings to-date over the revenue recognised. Contract liability is recognised as revenue when the Group performs its obligation under the contracts.

Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfy a performance obligation ("PO") by transferring a promised goods or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue from construction contracts is recognised over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the total budgeted contract costs.

There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

The Group provides warranties for general repairs of defects existed at the time of sale. These assurance-type warranties are accounted for under MFRS 137 *Provision, Contingent Liabilities and Contingent Assets*.

(b) Sale of goods

Revenue is measured at the fair value of consideration received or receivables, net of returns and allowances, trade discount and volume rebate. Revenue from sale of goods is recognised when the control over goods is transferred to the customers and performance obligations are satisfied to the customers and there is no continuity management involvement with the goods.

(c) Sale of electricity

The Group recognises revenue from the sale of electricity at a point in time as and when electricity is delivered to the off-takers based on the invoiced value of sale of electricity computed at a pre-determined rate.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Other income

(a) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(b) Interest income

Interest income is recognised on accruals basis using the effective interest method.

Non-current assets (or disposal group) held for sale and discontinued operation

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification, except the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

Plant and equipment is not depreciated or amortised once classified as held for sale.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business
- or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statements of profit or loss is re-represented as if the operation had been discontinued from the start of the comparative period.

Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude pledged fixed deposits with licensed banks and restricted cash at licensed banks.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the report amounts.

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

<u>Revenue from construction contracts</u>

Revenue from construction contracts is recognised over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the total budgeted contract costs.

Significant judgement and estimation are involved in determining the total budgeted contract costs. The estimates are based on approved budgeted contract costs and require ongoing assessments of factors such as changes in work scope, cost variations and costs to complete. In making these estimations, the Group considers past experience, input from relevant specialists and results of continuous project monitoring.

<u>Provision for expected credit loss of receivables and contract assets</u>

The Group applied significant judgement and estimation in determining the expected credit losses for receivables and contract assets based on historical default rates and forward-looking information.

The Group uses a simplified approach to calculate the expected credit losses, where the expected credit loss rates are depending on the historical observed default rates which is adjusted based on the historical cash collection performance and forward-looking information specific to the group of receivables and its general economic environment. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The carrying amounts of receivables and contract assets are disclosed in Notes 20, 21 and 22, respectively.

<u>Impairment of investment in subsidiaries and amount due from subsidiaries</u>

The Company reviews its investments in subsidiaries and amount due from subsidiaries when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investment in subsidiaries and amount due from subsidiaries are disclosed in Notes 15 and 23, respectively.

5. SEGMENT REPORTING

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

The Group is organised into 5 main reportable segments as follows:

(a) Civil engineering and construction ("CE") - involved in civil engineering and construction.

(b) M&E engineering services ("M&E") - involved in the provision of water treatment and sewerage industry, palm oil, sugar mills, refineries and other factories.

(c) Renewable energy ("RE") - involved in hydro power plant and electricity supplied.

(d) Renovation ("RENO") - involved in interior fit-out works and renovation and refurbishment of residential and commercial properties.

(e) Investment holdings and others ("OI") - holding of investments is the shares of an associate, other investment, letting of properties and equipment and sand trading.

The Group's contract expenses, operating expenses, financing (including finance costs), income taxes, assets and liabilities are managed on a group and are not allocated to operating segments.

Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in an associate and tax-related assets. Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

The prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

The segment information reported does not include any amount for discontinued operation, which are described in more detail in Note 26.

Business Segments

	Continuing Operation					
Group	**CE**	**M&E**	**RENO**	**OI**	**Elimination**	**Group**
1.7.2024 to 31.12.2025	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
External revenue	74,022,463	6,140,503	23,251,333	504,000	-	103,918,299
Segment loss include the following:						
Amortisation of transaction costs capitalised						(50,895)
Depreciation:						
Investment properties						(389,940)
Plant and equipment						(720,358)
Right-of-use assets						(419,486)
Fair value loss on other investments						(7,855,084)
Finance costs						(867,611)
Bad debt written off						(1,495,049)
Impairment losses on:						
Trade receivables						(5,663,325)
Other receivables						(2,901,580)
Contract assets						(1,584,357)
Unrealised loss on foreign exchange						(35)
Interest income						4,262
Reversal of impairment losses on:						
Contract assets						299,898
Investment in associates						(29,999)
Plant and equipment written off						(91,558)
Gain on derecognition of a subsidiary						358,610
Loss on disposals of:						
Plant and equipment						8,902

5. SEGMENT REPORTING (CONT'D)

Business Segments

	Continuing operations				
Group	**CE**	**M&E**	**OI**	**Elimination**	**Group**
1.7.2023 to 30.6.2024	**RM**	**RM**	**RM**	**RM**	**RM**
Revenue					
External revenue	72,839,464	1,915,352	216,000	-	74,869,836
Segment loss include the following:					
Amortisation of transaction costs capitalised					(101,789)
Depreciation:					
Investment properties					(301,261)
Plant and equipment					(537,245)
Right-of-use assets					(313,295)
Fair value loss on other investments					(2,103,007)
Finance costs					(879,563)
Bad debt written off					(8,526)
Impairment losses on:					
Trade receivables					(2,160,348)
Contract assets					(3,114,539)
Investment in an associate					(29,999)
Assets held for sales					(3,861,493)
Unrealised gain on foreign exchange					11,664
Interest income					57,895
Gain on disposal of other investment					231,637
Reversal on impairment:					
Trade receivable					225,195
Contract assets					1,958,163
Plant and equipment written off					(11,235)
Gain on derecognition of subsidiary					3,935,838

All the business segments are held by subsidiaries, thus the Group's contract expenses, operating expenses, income taxes, assets and liabilities are managed on a group basis and are not allocated to operating segments.

Geographical information

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segment is not presented.

Major customers

The following are major customers with revenue equal to or more than 10% of Group's total revenue:

	1.7.2024 to 31.12.2025 (18 months) RM	**1.7.2023 to 30.6.2024 (12 months) RM**	**Segment**
Customer A	-	30,039,815	Civil engineering and construction
Customer B	-	17,958,581	Civil engineering and construction
Customer C	54,153,995	-	Civil engineering and construction
Customer D	16,207,429	-	Civil engineering and construction

Notes to the Financial Statements (Cont'd)
For the Financial Period 1 July 2024 to 31 December 2025

6. REVENUE

	Group	
	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM
Continuing operations		
Revenue from contracts with customers:		
Over time		
Revenue from construction contracts	103,414,299	74,653,836
At a point in time		
Sale of goods	165,000	-
Revenue from other sources:		
Rental income	339,000	216,000
Total	103,918,299	74,869,836
Discontinued operation		
Revenue from contracts with customers:		
Over time		
Sale of electricity	761,259	4,416,526

The information on the disaggregation of revenue is disclosed in Note 3.

7. IMPAIRMENT LOSSES/(REVERSAL OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS AND CONTRACT ASSETS

	Group		Company	
	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM
Continuing operations				
Impairment losses on:				
Amount due from subsidiaries	-	-	22,664,256	47,014,137
Contract assets	1,584,357	3,114,539	-	-
Trade receivables	5,663,325	2,160,348	-	-
Other receivables	2,901,580	-	3,018,181	-
Reversal of impairment losses on:				
Amount due from subsidiaries	-	-	(55,646,896)	-
Contract assets	(299,898)	(1,958,163)	-	-
Trade receivables	-	(225,195)	-	-
	9,849,364	3,091,529	(29,964,459)	47,014,137

8. LOSS BEFORE TAX

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM
Continuing operations				
Auditors' remuneration:				
Statutory audit:				
Current year	360,000	248,800	112,000	66,500
Underprovision in prior year	14,600	-	-	-
Non-statutory audit	5,000	18,500	5,000	5,000
Amortisation of transaction costs capitalised	50,895	101,789	-	-
Bad debt written off	1,495,049	8,526	-	-
Depreciation of:				
Investment properties	389,940	301,261	-	-
Plant and equipment	720,358	537,245	70,634	49,931
Right-of-use assets	419,486	313,295	71,846	168,888
Fair value loss on other investments	7,855,084	2,103,007	-	-
Impairment losses on:				
Assets held for sale	-	3,861,493	-	-
Investment in an associate	-	29,999	-	29,999
Investment in subsidiaries	-	-	107,983,451	6,357,730
Interest expense on:				
Bank overdrafts	154,054	125,739	-	-
Islamic medium term notes	277,260	610,093	-	-
Lease liabilities	49,194	31,350	5,009	6,121
Others	387,103	112,381	-	-
Lease expenses relating to short-term leases	9,000	11	-	-
Loss/(Gain) on disposals of:				
Other investments	-	(231,637)	-	-
Plant and equipment	8,902	-	-	-
Gain on derecognition of subsidiaries	(358,610)	(3,935,838)	-	-
Interest income on:				
Deposits with licensed banks	(1,041)	(30,475)	(537)	(30,475)
Short-term investments	-	(536)	-	(536)
Others	(3,221)	(6,401)	-	(629)
Unrealised loss/(gain) on foreign exchange	35	(11,664)	-	-
Realised loss on foreign exchange	2,345	-	1,951	-
Plant and equipment written off	91,558	11,235	53,733	-
Reversal of impairment losses on:				
Investment in associates	(29,999)	-	-	-
Discontinued operation				
Depreciation of:				
Plant and equipment	-	1,816,067	-	-
Right-of-use assets	-	79,264	-	-
Interest expense on:				
Lease liabilities	1,243	12,599	-	-
Interest income on:				
Deposits with licensed bank	(4,821)	(20,483)	-	-

9. STAFF COSTS

	Group		Company	
	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM
Continuing operations				
Directors' fees	549,923	335,000	416,423	285,000
Salaries, bonuses and other emoluments	12,345,267	11,363,160	1,273,292	1,406,375
Defined contributions plans	824,847	625,136	130,069	172,574
Other benefits	265,304	153,979	3,665	-
	13,985,341	12,477,475	1,823,449	1,863,949
Discontinued operation				
Salaries, bonuses and other emoluments	120,712	649,857	-	-
Defined contributions plans	12,103	68,501	-	-
Other benefits	164	16,885	-	-
	132,979	735,243	-	-

Included in staff costs is aggregate amount of remuneration received and receivables by the directors of the Company and other key management personnel during the financial period/year as below:

	Group		Company	
	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM
Continuing operations				
Directors of the Company:				
Executive directors				
Fees	288,000	155,000	154,500	105,000
Salaries, bonuses and other emoluments	700,698	885,928	492,069	784,962
Defined contributions plans	74,344	103,456	61,972	91,456
	1,081,894	1,144,384	708,541	981,418
Non-Executive directors				
Fees	261,923	180,000	261,923	180,000
	1,343,817	1,324,384	970,464	1,161,418
Other key management personnel				
Salaries, bonuses and other emoluments	956,527	1,286,270	-	149,679
Defined contributions plans	88,462	151,500	-	17,892
	1,044,989	1,437,770	-	167,571
	2,388,806	2,762,154	970,464	1,328,989
Discontinued operation				
Directors of the Company:				
Executive directors				
Salaries, bonuses and other emoluments	-	107,166	-	-
Defined contributions plans	-	12,834	-	-
	-	120,000	-	-

10. INCOME TAX (CREDIT)/EXPENSE

	Group		Company	
	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM
Estimated tax payable:				
Current financial period/year	222,108	109,132	-	-
Overprovision in prior financial years	(140,763)	(1,038)	-	-
	81,345	108,094	-	-
Deferred tax (Note 18):				
Current financial period	(332,169)	-	-	-
Overprovision in prior financial year	-	(42,042)	-	-
	(332,169)	(42,042)	-	-
Capital gain tax:				
Current financial period	80,000	-	-	-
	(170,824)	66,052	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (30.6.2024: 24%) of the estimated assessable (loss)/ profit for the financial period/year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax (credit)/expense applicable to loss before tax at the applicable statutory income tax rate to income tax (credit)/expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM
(Loss)/Profit before tax:				
Continuing operations	(44,905,069)	(18,054,344)	(81,763,492)	(57,001,495)
Discontinued operation	(94,760)	1,030,063	-	-
Loss before tax	(44,999,829)	(17,024,281)	(81,763,492)	(57,001,495)
Taxation at statutory rate of 24%	(10,799,959)	(4,088,805)	(19,623,238)	(13,680,359)
Expenses not deductible for tax purposes	4,438,308	1,776,889	32,978,622	13,687,953
Income not subject to tax	(16,054)	(891,773)	(13,355,384)	(7,594)
Deferred tax assets not recognised	6,300,881	3,313,310	-	-
Utilisation of previous year deferred tax assets not recognised	(33,237)	(489)	-	-
Overprovision of estimated tax payable in prior financial years	(140,763)	(1,038)	-	-
Overprovision of deferred tax in prior financial year	-	(42,042)	-	-
Capital gain tax	80,000	-	-	-
Income tax (credit)/expense	(170,824)	66,052	-	-

At the end of the reporting period, the Group has unabsorbed capital allowances and unutilised tax losses that are available for offsetting against future taxable profits, subject to the agreement with the tax authorities.

10. INCOME TAX (CREDIT)/EXPENSE (CONT'D)

The details of unabsorbed capital allowances and unutilised tax losses are as follow:

	Group	
	31.12.2025 RM	**30.6.2024 RM**
Unabsorbed capital allowances	1,413,468	1,271,133
Unutilised tax losses	47,431,315	27,454,077
	48,844,783	28,725,210

The unabsorbed capital allowances do not expire under current tax legislation.

The comparative information has been restated to reflect the revised unabsorbed capital allowances and unutilised tax losses and to conform with the actual income tax computation submitted to the tax authorities.

Expiry date of the unutilised tax losses is summarised below:

	Group	
	31.12.2025 RM	**30.6.2024 RM**
Unutilised tax losses, expiring on:		
Year assessment 2028	11,367,574	11,367,574
Year assessment 2029	4,441,664	4,441,664
Year assessment 2030	5,860,869	5,860,869
Year assessment 2031	320,977	320,977
Year assessment 2032	89,312	89,312
Year assessment 2033	89,311	89,311
Year assessment 2034	5,284,370	5,284,370
Year assessment 2035	19,977,238	-
	47,431,315	27,454,077

11. (LOSS)/EARNINGS PER ORDINARY SHARE

Basic and diluted (loss)/earnings per ordinary share attributable to owner of the Company are computed by dividing the loss for the financial period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year.

Basic (loss)/earnings per ordinary share

The basic (loss)/earnings per ordinary share are calculated based on the consolidated loss for the financial period/year attributable to the owners of Company and the weighted average number of ordinary shares in issue during the financial period/year as follows:

	Group	
	1.7.2024 to 31.12.2025 (18 months) RM	**1.7.2023 to 30.6.2024 (12 months) RM**
(Loss)/Profit attributable to owners of the Company:		
From continuing operations	(44,525,848)	(17,961,064)
From discontinued operation	(94,760)	1,017,655
	(44,620,608)	(16,943,409)
Weighted average number of ordinary shares outstanding (unit)	190,529,247	190,529,247
Basic (loss)/earnings per ordinary share (sen)		
From continuing operations	(23.37)	(9.43)
From discontinued operation	(0.05)	0.53
	(23.42)	(8.90)

11. (LOSS)/EARNINGS PER ORDINARY SHARE (CONT’D)

Diluted (loss)/earnings per ordinary share

For current financial period, basic and diluted (loss)/earnings per ordinary share are equal as the Company does not have any potential dilutive ordinary shares outstanding as at the reporting period.

For prior financial year, there is no dilutive effect from outstanding warrants as it is considered out-of-money.

12. PLANT AND EQUIPMENT

conditioners	Air container RM	Cabin software RM	Computer and vehicles RM	Motor and fittings RM	Office equipment, furniture machinery RM	Plant and Renovation RM	Total RM	RM
Group								
31.12.2025								
Cost								
At beginning of the financial period	38,155	223,550	57,036	-	884,724	3,663,224	108,291	4,974,980
Additions	-	-	15,029	-	43,517	1,540,000	-	1,598,546
Disposals	(18,800)	(37,500)	-	-	-	-	-	(56,300)
Written off	-	(68,250)	-	-	(53,197)	(285,060)	(108,291)	(514,798)
Acquisition of a subsidiary	-	-	-	-	7,269	750	-	8,019
Transfer from right-of-use assets (Note 13)	-	-	-	225,913	-	-	-	225,913
At end of the financial period	19,355	117,800	72,065	225,913	882,313	4,918,914	-	6,236,360
Accumulated depreciation								
At beginning of the financial period	23,091	72,887	36,458	-	808,568	2,404,390	38,314	3,383,708
Charged for the financial period	4,626	28,208	24,828	-	96,132	550,320	16,244	720,358
Disposals	(16,763)	(16,499)	-	-	-	-	-	(33,262)
Written off	-	(31,078)	-	-	(53,014)	(284,590)	(54,558)	(423,240)
Acquisition of a subsidiary	-	-	-	-	5,402	512	-	5,914
Transfer from right-of-use assets (Note 13)	-	-	-	225,912	-	-	-	225,912
At end of the financial period	10,954	53,518	61,286	225,912	857,088	2,670,632	-	3,879,390
Carrying amount								
At end of the financial period	8,401	64,282	10,779	1	25,225	2,248,282	-	2,356,970

12. **PLANT AND EQUIPMENT (CONT'D)**

	Air conditioners RM	Cabin container RM	Computer and software RM	Mini hydro power plant RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Plant and machinery RM	Renovation RM	Road infra-structure RM	Total RM
Group										
30.6.2024										
Cost										
At beginning of the financial year	38,155	223,550	56,137	29,900,000	4,464	923,745	3,775,385	108,291	473,958	35,503,685
Additions	-	-	16,907	-	-	33,600	-	-	-	50,507
Written off	-	-	-	-	-	(19,260)	-	-	-	(19,260)
Derecognition on deconsolidation of a subsidiary	-	-	-	-	-	(7,269)	(750)	-	-	(8,019)
Transfer to assets held for sale	-	-	(16,008)	(29,900,000)	(4,464)	(46,092)	(111,411)	-	(473,958)	(30,551,933)
At end of the financial year	38,155	223,550	57,036	-	-	884,724	3,663,224	108,291	-	4,974,980
Accumulated depreciation										
At beginning of the financial year	19,275	50,532	32,511	11,517,048	4,464	477,716	2,372,674	27,485	236,979	14,738,684
Charged for the financial year	3,816	22,355	19,955	1,706,856	-	377,151	117,559	10,829	94,791	2,353,312
Written off	-	-	-	-	(8,025)	-	-	-	(8,025)	
Derecognition on deconsolidation of a subsidiary	-	-	-	-	-	(4,675)	(437)	-	-	(5,112)
Transfer to assets held for sale	-	-	(16,008)	(13,223,904)	(4,464)	(33,599)	(85,406)	-	(331,770)	(13,695,151)
At end of the financial year	23,091	72,887	36,458	-	-	808,568	2,404,390	38,314	-	3,383,708
Carrying amount										
At end of the financial year	15,064	150,663	20,578	-	-	76,156	1,258,834	69,977	-	1,591,272

12. PLANT AND EQUIPMENT (CONT'D)

	Air conditioner RM	Computer and software RM	Office equipment, furniture and fittings RM	Renovation RM	Total RM
Company					
31.12.2025					
Cost					
At beginning of the financial period	12,905	60,462	184,787	108,291	366,445
Additions	-	11,139	-	-	11,139
Written off	-	-	-	(108,291)	(108,291)
At end of the financial period	12,905	71,601	184,787	-	269,293
Accumulated depreciation					
At beginning of the financial period	3,105	43,646	56,172	38,314	141,237
Charged for the financial period	1,936	24,796	27,658	16,244	70,634
Written off	-	-	-	(54,558)	(54,558)
At end of the financial period	5,041	68,442	83,830	-	157,313
Carrying amount					
At end of the financial period	7,864	3,159	100,957	-	111,980
Company					
30.6.2024					
Cost					
At beginning of the financial year	12,905	47,653	177,187	108,291	346,036
Additions	-	12,809	7,600	-	20,409
At end of the financial year	12,905	60,462	184,787	108,291	366,445
Accumulated depreciation					
At beginning of the financial year	1,814	24,027	37,980	27,485	91,306
Charged for the financial year	1,291	19,619	18,192	10,829	49,931
At end of the financial year	3,105	43,646	56,172	38,314	141,237
Carrying amount					
At end of the financial year	9,800	16,816	128,615	69,977	225,208

Notes to the Financial Statements
For the Financial Period 1 July 2024 to 31 December 2025

13. RIGHT-OF-USE ASSETS

	Office building RM	Motor vehicles RM	Store RM	Total RM
Group				
31.12.2025				
Cost				
At beginning of the financial period	725,940	980,290	104,053	1,810,283
Additions	278,138	133,677	-	411,815
Derecognition upon expiry of lease contract	(725,940)	-	-	(725,940)
Transfer to plant and equipment (Note 12)	-	(225,913)	-	(225,913)
At end of the financial period	278,138	888,054	104,053	1,270,245
Accumulated depreciation				
At beginning of the financial period	725,940	552,219	4,336	1,282,495
Charged for the financial period	77,260	264,187	78,039	419,486
Derecognition upon expiry of lease contract	(725,940)	-	-	(725,940)
Transfer to plant and equipment (Note 12)	-	(225,912)	-	(225,912)
At end of the financial period	77,260	590,494	82,375	750,129
Carrying amount				
At end of the financial period	200,878	297,560	21,678	520,116

	Office building RM	Right-to-use the water of Sungai Rek RM	Motor vehicles RM	Store RM	Total RM
Group					
30.6.2024					
Cost					
At beginning of the financial year	725,940	783,202	1,096,891	80,930	2,686,963
Additions	-	-	-	104,053	104,053
Derecognition upon expiry of lease contract	-	-	-	(80,930)	(80,930)
Transfer to assets held for sale	-	(783,202)	(116,601)	-	(899,803)
At end of the financial year	725,940	-	980,290	104,053	1,810,283
Accumulated depreciation					
At beginning of the financial year	604,950	251,744	413,441	43,837	1,313,972
Charged for the financial year	120,990	55,943	174,197	41,429	392,559
Derecognition upon expiry of lease contract	-	-	-	(80,930)	(80,930)
Transfer to assets held for sale	-	(307,687)	(35,419)	-	(343,106)
At end of the financial year	725,940	-	552,219	4,336	1,282,495
Carrying amount					
At end of the financial year	-	-	428,071	99,717	527,788

Notes to the Financial Statements (Cont'd)
For the Financial Period 1 July 2024 to 31 December 2025

13. RIGHT-OF-USE ASSETS (CONT'D)

	Office building RM	Motor vehicles RM	Total RM
Company			
31.12.2025			
Cost			
At beginning of the financial period	725,940	239,489	965,429
Derecognition upon expiry of lease contract	(725,940)	-	(725,940)
At end of the financial period	-	239,489	239,489
Accumulated depreciation			
At beginning of the financial period	725,940	167,643	893,583
Charged for the financial period	-	71,846	71,846
Derecognition upon expiry of lease contract	(725,940)	-	(725,940)
At end of the financial period	-	239,489	239,489
Carrying amount			
At end of the financial period	-	-	-
30.6.2024			
Cost			
At beginning/end of the financial year	725,940	239,489	965,429
Accumulated depreciation			
At beginning of the financial year	604,950	119,745	724,695
Charged for the financial year	120,990	47,898	168,888
At end of the financial year	725,940	167,643	893,583
Carrying amount			
At end of the financial year	-	71,846	71,846

The aggregate additions for the right-of-use assets of the Group during the financial period/year acquired under lease financing and cash payments are as follows:

	Group	
	31.12.2025 RM	**30.6.2024 RM**
Aggregate costs	411,815	104,053
Less: Lease financing	(383,720)	(104,053)
Cash payments	28,095	-

13. RIGHT-OF-USE ASSETS (CONT'D)

The Group and the Company lease an office building, motor vehicles, a right-to-use the water of Sungai Rek and store of which the leasing activities are summarised below:

(a) Office building - The Group and the Company entered into a Non-cancellable Operating Lease Agreement for the use of an office building. The lease does not allow the Group and the Company to assign, transfer or create any charge, lien or trust in respect of or dispose of the whole or any part of the office building.

(b) Right-of-use the water of Sungai Rek - The Group entered into a Cancellable Agreement with The State Government of Kelantan Darul Naim for the use of the water of Sungai Rek to operate hydro power plant for a period of 21 years with renewal option included in the agreement.

The right-of-use assets has been derecognised due to deconsolidation of a subsidiary during the current financial period.

(c) Motor vehicles - The Group and the Company leased its motor vehicles under hire purchase arrangements.

(d) Store - The Group entered into a Non-cancellable Operating Lease Agreement for the use of a store for the construction machinery. The lease does not allow the Group to hold on trust for another or part with the possession of the whole or any part of the store or permit another to occupy the whole or any part of the store, not to underlet or sublet the whole or any part of the store and not to assign the tenancy.

14. INVESTMENT PROPERTIES

	Group	
	31.12.2025 RM	30.6.2024 RM
Cost		
At beginning of the financial period/year and at end of the financial period/year	17,091,070	17,091,070
Accumulated depreciation		
At beginning of the financial period/year	1,378,554	1,077,293
Charged for the financial period/year	389,940	301,261
At end of the financial period/year	1,768,494	1,378,554
Accumulated impairment loss		
At beginning of the financial period/year and at end of the financial period/year	3,004,779	3,004,779
Carrying amount		
At end of the financial period/year	12,317,797	12,707,737
Included in the above are:		
Leasehold commercial buildings	4,655,456	4,800,504
Freehold residential building	363,502	375,894
Freehold commercial buildings	7,298,839	7,531,339
Carrying amount of investment properties	12,317,797	12,707,737
Included in the above are:		
Leasehold commercial buildings	7,192,692	7,456,644
Freehold residential building	505,343	425,754
Freehold commercial buildings	7,618,337	8,279,749
Fair value of investment properties	15,316,372	16,162,147

14. INVESTMENT PROPERTIES (CONT'D)

The leasehold commercial buildings amounting to RM4,655,456 (30.6.2024: RM4,800,504) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 38.

The fair value of the investment properties are within level 3 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties ranging from RM327 to RM1,889 (30.6.2024: RM339 to RM2,053). Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

The following are recognised in profit or loss in respect of the investment properties:

	Group	
	1.7.2024 to 31.12.2025 (18 months) RM	**1.7.2023 to 30.6.2024 (12 months) RM**
Rental income	339,000	216,000
Direct operating expenses:		
Income generating investment properties	5,593	2,248
Non-income generating investment properties	78,608	52,742
	84,201	54,990

15. INVESTMENT IN SUBSIDIARIES

	Company	
	31.12.2025 RM	**30.6.2024 RM**
In Malaysia		
At cost		
Unquoted shares:		
Ordinary shares	139,983,896	46,573,895
Redeemable preference shares	19,963,000	-
	159,946,896	46,573,895
Less: Accumulated impairment losses	(118,800,278)	(10,816,827)
	41,146,618	35,757,068
Outside Malaysia		
At cost		
Unquoted shares	25,070	25,070
Less: Accumulated impairment losses	(25,070)	(25,070)
	-	-
	41,146,618	35,757,068

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

The movement of accumulated impairment losses during the financial period/year is as follows:

	Company	
	31.12.2025 RM	30.6.2024 RM
At beginning of the financial period/year	10,841,897	4,484,167
Impairment losses recognised	107,983,451	6,357,730
At end of the financial period/year	118,825,348	10,841,897

During the financial period, certain subsidiaries of the Company were facing the recoverable amount lower than the carrying amount due to no future business plan and reduction in level of activity. The recoverable amount of the Company's investment in these subsidiaries are estimated based on fair value less cost to sell method which is determined based on the carrying amount of the adjusted net assets. Therefore, an impairment loss amounting to RM107,983,451 (30.6.2024: RM6,357,730) was recognised during the financial period.

Details of the subsidiaries are as follows:

Name of Company	Principal place of business	Effective equity interest 31.12.2025 %	Effective equity interest 30.6.2024 %	Principal activities
Pasukhas Sdn. Bhd. ("PSB")	Malaysia	100	100	i. Designing, system Integration, fabrication, installation, testing and commissioning of electrical and mechanical works ii. Civil engineering and construction business
Midtown Products Sdn. Bhd. ("MProdSB") (f.k.a Pasukhas Products Sdn. Bhd. ("PPSB"))	Malaysia	100	100	General trading, investment holding and properties and renting of machineries
Midtown Energy Sdn. Bhd. ("MEnergySB") (f.k.a Pasukhas Energy Sdn. Bhd. ("PESB"))	Malaysia	100	100	i. Provision of energy utilities services and power generation ii. Civil engineering and construction business
Midtown Development Sdn. Bhd. ("MDSB") (f.k.a SL Development	Malaysia	100	-	Business of development. The Company has not commenced business operations since its date of incorporation.
Midtown Construction Sdn. Bhd. ("MCSB") (f.k.a Pasukhas Construction Sdn. Bhd. ("PCSB"))	Malaysia	100	100	General contractor
Midtown Properties Sdn. Bhd. ("MPropSB") (f.k.a Pasukhas Properties Sdn. Bhd. ("PpropSB"))	Malaysia	100	100	Investment holding
Pasukhas Lanka (Pvt) Ltd*	Sri Lanka	100	100	Dormant

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Principal place of business	Effective equity interest 31.12.2025 %	30.6.2024 %	Principal activities
Midtown Pearl Sdn. Bhd. ("MPSB")#	Malaysia	100	-	Renovation and construction
Midtown Engineering Sdn. Bhd. ("MESB")	Malaysia	100	-	i. Designing, system Integration, fabrication, installation, testing and commissioning of electrical and mechanical works ii. Civil engineering and construction business
<u>Subsidiary of MESB</u>				
Midtown Green Assets Sdn. Bhd. ("MGASB") (f.k.a Pasukhas Green Assets Sdn. Bhd. ("PGASB"))	Malaysia	100	100	Investment holding
<u>Subsidiary of MGASB</u>				
I.S. Energy Sdn. Bhd. ("ISE")	Malaysia	-	100	Design, build and manage mini hydro power plant and other related works
<u>Subsidiary of PSB</u>				
Essential Value Sdn. Bhd. ("EVSB")	Malaysia	55	55	Property investment and mechanical and electrical engineering business
<u>Subsidiary of MPropSB</u>				
Midtown Pearl Sdn. Bhd. ("MPSB")#	Malaysia	-	100	Dormant

* Not required to be audited pursuant to the relevant regulations of the place of incorporation.
\# Changes in holding company due to internal reorganisation

<u>In current financial period</u>

<u>Acquisition of a subsidiary</u>

(a) On 17 July 2025, the Company increased its equity interest in MDSB, a company principally engaged in the business of property development, through the subscription of newly issued ordinary shares by MDSB. The Company subscribed for 600,000 new ordinary shares at RM0.30 per ordinary share, for a total consideration of RM180,000, which was satisfied by way of capitalisation of amount due from MDSB. This increased the Company's equity interest in MDSB from 30% to 90%.

As a result, the Company obtained control over MDSB on 17 July 2025, being the date on which it obtained majority voting rights and the ability to direct the relevant activities of MDSB. The acquisition was undertaken to strengthen the Company's presence in the property development segment, expand its project pipeline and achieve operational synergies.

The business combination was accounted for as a step acquisition, whereby the Company's previously held 30% equity interest was remeasured to fair value at the acquisition date.

Subsequently, on 30 September 2025, the Company acquired the remaining 10% equity interest in MDSB for a total cash consideration of RM15,000, resulting in MDSB becoming a wholly-owned subsidiary of the Group. This subsequent acquisition was accounted for as an equity transaction with non-controlling interests.

The acquisition of MDSB does not constitute an acquisition of business under MFRS3 *Business Combination* and give rise to goodwill.

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

In current financial period (Cont'd)

Acquisition of subsidiaries (Cont'd)

(a) (Cont'd)

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

(i) Fair value of consideration transferred

	17.7.2025 RM
- By way of capitalisation of amount due from MDSB	180,000
- Previously held equity interest	9,000
	189,000

(ii) Identifiable assets acquired and liabilities assumed

	17.7.2025 RM
Plant and equipment	2,105
Inventories	36,046,882
Trade receivables	80,280
Other receivables, deposits and prepayments	200,000
Cash and bank balances	7,803
Trade payables	(463,481)
Other payables and accrued expenses	(22,401,038)
Amount due to holding company	(13,283,551)
Total identifiable net assets	189,000

(iii) Net cash inflow arising from acquisition of a subsidiary

	RM
Purchase consideration settled by way of capitalisation of amount due from MDSB	-
Cash and cash equivalents acquired	7,803
	7,803

The remeasurement to fair value of the Group's existing 30% interest resulted in a gain of RM8,999, which has been recognised in other operating income in the statements of profit or loss and other comprehensive income.

Subscription of new ordinary shares

(a) On 9 April 2025, the Company had incorporated a new subsidiary, MESB comprises 1 ordinary share at an issue price on RM1. On 13 May 2025, the Company subscribed for 749,999 new ordinary shares in MESB at an issue price of RM1 per ordinary share, for a total cash consideration of RM749,999.

(b) On 30 June 2025, the Company subscribed for 56,250,000 new ordinary shares in MPropSB at an issue price of RM1 per ordinary share, for a total consideration of RM56,250,000, which was satisfied via the capitalisation of amount due from MPropSB.

(c) On 30 June 2025, the Company subscribed for 10,566,000 new ordinary shares in MEnergySB at an issue price of RM1 per ordinary share, for a total consideration of RM10,566,000, which was satisfied via the capitalisation of amount due from MEnergySB.

(d) On 30 June 2025, the Company subscribed for 24,899,000 new ordinary shares in MProdSB at an issue price of RM1 per ordinary share, for a total consideration of RM24,899,000, which was satisfied via the capitalisation of amount due from MProdSB.

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

In current financial period (Cont'd)

Internal reorganisation

(a) On 12 June 2025, the Group undertook an internal reorganisation involving the transfer of its equity interest in MPSB from MpropSB to MGB by acquiring 1 ordinary share for total cash consideration of RM1. The transaction was effected between entities under common control and did not result in any change in the Group's effective interest in MPSB. Accordingly, the transaction has no impact on the Group's consolidated profit or loss or equity.

Subsequently, 29 December 2025, the Company subscribed for 749,999 new ordinary shares in MPSB at an issue price of RM1 per ordinary share, for a total consideration of RM749,999, which was satisfied via the capitalisation of amount due from MPSB.

Disposal of a subsidiary

(a) On 9 January 2025, MGASB, an indirect wholly-owned subsidiary of the Company has completed the disposal of its 100% equity interest in a subsidiary, ISE, a company incorporated in Malaysia which is engaged in design, build and manage mini hydro power plant and other related works for a cash consideration of RM4,000,000.

Following the disposal of equity interest in ISE, the result of ISE shall be deconsolidated from the Group on the same date.

The carrying amount of assets and liabilities disposed at the date of the disposal are disclosed in Note 26.

In previous financial year

Changes in ownership interest

(a) On 31 May 2024, PSB, a wholly-owned subsidiary of the Company entered into a Subscription and Shareholders' Agreement with Symphony Estates Sdn. Bhd. ("SESB") for MDSB.

On 5 June 2024, the Board of Directors of MDSB approved the allotment and issuance of 99,999 ordinary shares at RM1 per ordinary share, fully paid up, in the capital of the MDSB. MGB was allotted 29,999 ordinary shares and SESB was allotted 70,000 ordinary shares, resulting in the control transferring from MGB to SESB as the holding company of MDSB.

Due to the Company's loss of control over MDSB, the investment in MDSB has been derecognised as a subsidiary and reclassified as an investment in associate as disclosed in Note 16.

The effect of the derecognition of MDSB on the Group's statements of profit or loss as at the date of the derecognition was as follows:

	30.6.2024 RM
Property, plant and equipment	2,907
Cash and bank balances	100,361
Other receivables and deposits	21,493,661
Inventories	33,692,842
Trade payables	(778,040)
Other payables	(23,439)
Amount due to ultimate holding company	(8,500,000)
Amount due to immediate holding company	(2,100,000)
Amount due to related party	(47,824,130)
Total net liabilities	(3,935,838)
Gain on derecognise	3,935,838
Proceeds from disposal	-
Less: Cash and bank balances disposal	(100,361)
Net cash outflows from disposal	(100,361)

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Material partly-owned subsidiary

Set out below are the Group's subsidiary that have material non-controlling interests:

	Proportion of ownership interest and voting rights held by non-controlling interests		Group	
	31.12.2025	30.6.2024	31.12.2025	30.6.2024
	%	%	RM	RM
EVSB	45	45	(1,302,073)	(1,093,676)

Summarised financial information for subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

(i) Summarised statement of financial position

	EVSB	
	31.12.2025 RM	30.6.2024 RM
Non-current assets	4,655,456	4,800,504
Current assets	6,730	38,450
Current liabilities	(7,555,687)	(7,269,350)
Net liabilities	(2,893,501)	(2,430,396)

(ii) Summarised statement of profit or loss and other comprehensive income

	EVSB	
	1.7.2024 to 31.12.2025 (18 months) RM	1.7.2023 to 30.6.2024 (12 months) RM
Loss for the financial period/year, representing total comprehensive loss for the financial period/year	(463,105)	(354,071)
Total comprehensive loss attributable to non-controlling interests	(208,397)	(159,332)

(iii) Summarised statement of cash flows

	EVSB	
	31.12.2025 RM	30.6.2024 RM
Net cash used in operating activities	(47,384)	(183,598)
Net cash from financing activities	549,720	496,911
Net increase in cash and cash equivalents	502,336	313,313

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
At cost:				
Unquoted shares in Malaysia	2,600,000	30,000	-	30,000
Less: Accumulated impairment loss	-	(29,999)	-	(29,999)
	2,600,000	1	-	1
Share of post-acquisition reserve	185,061	-	-	-
Unquoted shares, at cost	2,785,061	1	-	1

The movement of accumulated impairment loss during the financial period/year is as follows:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
At beginning of the financial period/year	(29,999)	-	(29,999)	-
Impairment loss recognised	-	(29,999)	-	(29,999)
Deemed disposal	29,999	-	29,999	-
At end of the financial period/year	-	(29,999)	-	(29,999)

The impairment was due to the MDSB's being at net liability position.

Details of the associates are as follows:

Name of Company	Principal place of business	Effective equity interest 31.12.2025 %	Effective equity interest 30.6.2024 %	Principal activities
Ventra Engineering Sdn. Bhd. ("VESB") (f.k.a Seacera Porcelain Sdn. Bhd.) ("SPSB")	Malaysia	30	-	Engaged in the trading of ceramic tiles and related products.
Midtown Development Sdn. Bhd. ("MDSB") (f.k.a SL Development Sdn. Bhd. ("SLDSB"))	Malaysia	-	30	Dormant

During the financial period:

(i) MDSB was accounted as a subsidiary of the Group from 17 July 2025 due to step acquisition. The details are as disclosed in Note 15.

(ii) On 17 July 2024, the Group through MProdSB, a wholly-owned subsidiary, subscribed for 3,000,000 ordinary shares in VESB for a total cash consideration of RM2,600,000.

16. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of VESB is set out below:

(i) Summarised statement of financial position

	VESB 31.12.2025 RM
Non-current assets	10,881,420
Current assets	3,091,244
Current liabilities	(5,251,802)
Net assets	8,720,862
Interest in associate	30%
Group's share of net assets	2,616,259
Goodwill	168,802
Carrying amount of Group's interest in associate	2,785,061

(ii) Summarised statement profit or loss and other comprehensive income

	VESB 17.7.2024 to 31.12.2025 (18 Months) RM
Revenue	9,595,927
Total comprehensive income for the financial period	616,870
Group's share of profit for the financial period	185,061

The summarised financial information of MDSB is set out below:

(i) Summarised statement of financial position

	MDSB 30.6.2024 RM
Non-current assets	2,907
Current assets	55,386,861
Current liabilities	(59,225,608)
Net liabilities	(3,835,840)
Interest in associate	30%
Group's share of net liabilities	(1,150,752)
Shares on unrecognised loss	1,150,752
Carrying amount of Group's interest in associate	1

Notes to the Financial Statements (Cont'd)
For the Financial Period 1 July 2024 to 31 December 2025

16. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of MDSB is set out below: (cont'd)

(ii) Summarised statement profit or loss and other comprehensive income

	MDSB 01.7.2024 to 17.7.2025 (13 months) RM	01.7.2023 to 30.6.2024 (12 months) RM
Revenue	-	-
Total comprehensive loss for the financial period/year	(36,427)	(356,580)
Group's share of loss for the financial period	*	*

* Share of losses of the associate has been recognised to the extent of the Group's investment.

17. OTHER INVESTMENTS

	Note	Group 31.12.2025 RM	30.6.2024 RM
Other investments:			
At fair value through other comprehensive income	(a)	54,250	54,250
At fair value through profit or loss	(b)	17,693,692	25,548,776
		17,747,942	25,603,026

(a) Investment measured at fair value through other comprehensive income

	Group 31.12.2025 RM	30.6.2024 RM
Quoted shares of Salcon Berhad	4,250	4,250
Transferable club membership	50,000	50,000
	54,250	54,250

(i) The Group designated the equity investments to be measured at fair value through other comprehensive income because the Group intends to hold for long-term strategic purposes.

(b) Investment measured at fair value through profit or loss

	Group 31.12.2025 RM	30.6.2024 RM
Quoted shares, at fair value		
AE Multi Holdings Berhad	167,175	501,525
Luk Hing Entertainment Group Holdings Limited	704,315	751,050
Meridian Berhad	282,348	564,695
Oversea Enterprise Berhad	5,000,000	5,500,000
Oversea Enterprise Berhad - Warrant	666,666	-
Permaju Industries Berhad	375,294	1,876,470
Seacera Group Berhad	1,570,770	5,628,593
Sersol Berhad - Warrant	106,500	-
Sinaran Advance Group Berhad	3,179,897	2,952,761
Sinaran Advance Group Berhad - Warrant	350,000	-
Symphony Life Berhad	3,636,732	5,207,139
Vizione Holdings Berhad	1,653,995	2,566,543
	17,693,692	25,548,776

18. DEFERRED TAX LIABILITIES

	Group	
	31.12.2025 RM	30.6.2024 RM
At beginning of the financial period/year	368,553	410,595
Recognised in profit or loss (Note 10)	(332,169)	(42,042)
At end of the financial period/year	36,384	368,553

The components of deferred tax liabilities are as follows:

	Group	
	31.12.2025 RM	30.6.2024 RM
Deferred tax liabilities:		
Plant and equipment	36,384	-
Revaluation of plant and equipment arising from business combinations	-	368,553
	36,384	368,553

The deductible temporary difference, unabsorbed capital allowances and unutilised tax losses which would give rise to deferred tax assets not recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unabsorbed capital allowances and unutilised tax losses can be utilised. As at the end of reporting period, the estimated amount of temporary difference, unabsorbed capital allowances and unutilised tax losses for which no deferred tax assets has not been recognised in the financial statements due to uncertainty of its realisation are as follows:

	Group	
	31.12.2025 RM	30.6.2024 RM
Unutilised tax losses	47,431,315	27,454,077
Unabsorbed capital allowances	1,413,468	1,271,133
Other deductible temporary differences	27,996,867	22,001,256
	76,841,650	50,726,466

19. INVENTORIES

	Group	
	31.12.2025 RM	30.6.2024 RM
Property development costs	36,233,074	-

As at end of the financial period, the title deeds for the land proprietor's entitlement were not registered under the subsidiary's name, as these title deeds are intended to be transferred directly to the purchasers upon completion of the property development.

In previous financial year, the property development cost previously attributed to the subsidiary has been derecognised resulted from the loss of control. During the current financial period, the Group re-acquired control over MDSB through step acquisition as disclosed in Note 15. Accordingly, the identifiable assets and liabilities of MDSB, including property development costs, were recognised at their fair values at the acquisition date.

20. TRADE RECEIVABLES

	Group	
	31.12.2025	**30.6.2024**
	RM	**RM**
Non-current		
Trade receivables		
- Third parties	25,866,455	-
Less: Allowance for impairment losses	(3,018,181)	-
Total non-current portion	23,848,274	-
Non-current		
Trade receivables		
- Third parties	25,961,115	36,208,633
Less: Allowance for impairment losses	(13,638,029)	(10,992,885)
Total portion	12,323,086	(25,215,748)
Total trade receivables, net	35,171,360	25,215,748
Gross trade receivables	51,827,570	36,208,633
Less: Allowance for impairment losses	(16,656,210)	(10,992,885)
Total trade receivables, net	35,171,360	25,215,748

The Group normal credit terms range from 14 to 120 days (30.6.2024: 14 to 120 days). There are recognised at their original invoice amounts which represent their value on initial recognition.

The movement in the allowance for impairment losses during the financial period/year are as follows:

	Group	
	31.12.2025	**30.6.2024**
	RM	**RM**
At beginning of the financial period/year	10,992,885	9,057,732
Impairment losses recognised	5,663,325	2,160,348
Reversal of impairment loss recognised	-	(225,195)
At end of the financial period/year	16,656,210	10,992,885

The aged analysis of trade receivables at the end of the reporting period:

	Gross amount RM	**Loss allowance RM**	**Net amount RM**
Group			
31.12.2025			
Neither past due nor impaired	1,939,905	(337,748)	1,602,157
Past due but not impaired:			
Less than 3 months	619,252	(135,175)	484,077
3 to 9 months	3,066,300	(1,688,313)	1,377,987
More than 9 months	148,552	(148,552)	-
	3,834,104	(1,972,040)	1,862,064
Collectively assessed	5,774,009	(2,309,788)	3,464,221
Individually assessed	46,053,561	(14,346,422)	31,707,139
	51,827,570	(16,656,210)	35,171,360

20. TRADE RECEIVABLES (CONT'D)

	Gross amount RM	Loss allowance RM	Net amount RM
30.6.2024			
Neither past due nor impaired	3,910,858	-	3,910,858
Past due but not impaired:			
Less than 3 months	3,138,262	(30,405)	3,107,857
3 to 9 months	9,005,609	(412,619)	8,592,990
More than 9 months	10,303,479	(699,436)	9,604,043
	22,447,350	(1,142,460)	21,304,890
Collectively assessed	26,358,208	(1,142,460)	25,215,748
Individually assessed	9,850,425	(9,850,425)	-
	36,208,633	(10,992,885)	22,215,748

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2025, trade receivables of RM1,862,064 (30.6.2024: RM21,304,890) were past due but not impaired. These related to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM46,053,561 (30.6.2024: RM9,850,425), related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through agreed repayment arrangements with the customers and/or ongoing debt recovery processes.

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
	Note	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Non-current					
Other receivables	(a)	-	-	25,866,455	-
Less: Allowance for impairment losses		-	-	(3,018,181)	-
Total non-current portion		-	-	22,848,274	-
Current					
Other receivables	(a)	14,232,947	21,985,171	27,106,295	3,446
Advances to suppliers	(b)	6,055,609	5,861,022	-	-
Less: Allowance for impairment losses		(2,901,580)	-	-	-
		3,154,029	5,861,022	-	-
Deposits		3,243,548	3,195,229	108,703	64,720
Prepayments		227,629	206,706	-	-
Total current portion		20,858,153	31,248,128	27,214,998	68,166
Total other receivables, net		20,858,153	31,248,128	50,063,272	68,166
Gross other receivables		23,759,733	31,248,128	53,081,453	68,166
Less: Allowance for impairment losses		(2,901,580)	-	(3,018,181)	-
Total other receivables, net		20,858,153	31,248,128	50,063,272	68,166

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

The movements in the allowance for impairment losses are as follows:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
At beginning of the financial period/year	-	-	-	-
Impairment losses recognised	2,901,580	-	3,018,181	-
At end of the financial period/year	2,901,580	-	3,018,181	-

(a) Included in the Group's and the Company's other receivables as at 31 December 2025 is an amount of RM10,668,189 and RM47,205,652, respectively, arising from amounts due from two entities (the "Receivables").

These balances arose from two separate mutual set-off arrangements dated 31 December 2025 involving the Company, PSB (a wholly-owned subsidiary) and the respective Receivables, whereby amounts due from the Receivables to PSB were set off against amounts owing by PSB to the Company.

Following these arrangements, the outstanding balances are now directly due from the Receivables to the Company.

(b) Included in the Group's advances to suppliers amounting RM2,901,580 were made in relation to the future supply of river sand for a project awarded to the subsidiary, MProdSB by BB Energy Sdn. Bhd. ("BBESB"). The advances were paid by MProdSB to secure approval for the designated sand mining location. However, prior to the commencement of the project, it was discovered that the approved location was insufficient for the required sand extraction activities. As a result, the project has been temporarily put on hold. BBESB has requested a change in the sand mining location from the relevant local authorities and is currently awaiting the necessary approvals to proceeds with the project.

Due to uncertainties over the timing and recoverability of the said advance, the management has recognised an impairment loss during the financial period. The Group continues to monitor the recoverability of the remaining balance based on developments in the project.

Included in the Group's advances to suppliers amounting RM3,154,029 (30.6.2024: RM2,924,275) is in respect of future supply of project materials which are expected to fulfil within 1 year.

22. CONTRACT ASSETS/(LIABILITIES)

	Group	
	31.12.2025 RM	30.6.2024 RM
Contract assets		
Construction contracts	30,180,831	50,013,195
Less: Allowance for impairment losses	(12,059,517)	(10,775,058)
	18,121,314	39,238,137
Contract liabilities		
Construction contracts	(9,113,743)	(9,002,227)

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

The movements in allowance for impairment losses for contract assets during the financial period/year are as follows:

	Group	
	31.12.2025	**30.6.2024**
	RM	**RM**
At beginning of the financial period/year	10,775,058	9,618,682
Impairment losses recognised	1,584,357	3,114,539
Reversal of impairment loss recognised	(299,898)	(1,958,163)
At end of the financial period/year	12,059,517	10,775,058

The contract assets of the Group that are individually assessed to be impaired amounting to RM9,499,079 (30.6.2024: RM7,097,456), related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debt's recovery process.

(a) The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date. The amount will be invoiced within 30 to 90 days (30.6.2024: 30 to 90 days) term.

Included in the contract assets are retention sum receivables totaling RM10,569,632 (30.6.2024: RM10,969,632). The retention sums are expected to be collected within the periods range from 12 to 24 months (30.6.2024: 12 to 24 months).

(b) The contract liabilities primarily relate to advance considerations received from few customers for construction contracts of which the revenue will be recognised over the remaining contract term of the specific contract it relates to, range from 1 to 3 months (30.6.2024: 1 to 3 months).

(c) The changes to contract assets and contract liabilities balance during the financial period/year are summarised below:

	Group	
	31.12.2025	**30.6.2024**
	RM	**RM**
At beginning of the financial period/year	30,235,910	43,937,411
Revenue recognised in profit or loss during the financial period/year	103,414,299	74,653,836
Impairment losses recognised	(1,584,357)	(3,114,539)
Reversal of impairment loss recognised	299,898	1,958,162
Written off	-	(8,526)
Advances received	(5,867,787)	(8,400,000)
Progress billing issued during the financial period/year	(117,490,392)	(78,790,434)
At end of the financial period/year	9,007,571	30,235,910
Presented as:		
Contract assets	18,121,314	39,238,137
Contract liabilities	(9,113,743)	(9,002,227)
	9,007,571	30,235,910

(d) Based on the information available to the Group, the management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts will be recognised as revenue in the period of next 1 year (30.6.2024: 1 year).

(e) Construction contracts revenue recognised during the financial period 1 July 2024 to 31 December 2025 of the Group amounted RM9,002,227 (30.6.2024: RM8,185,893), was included in contract liabilities balance at beginning of the financial period/year.

Notes to the Financial Statements (Cont'd)
For the Financial Period 1 July 2024 to 31 December 2025

23. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	31.12.2025	**30.6.2024**
	RM	**RM**
Non-trade		
Amount due from subsidiaries	25,462,155	163,039,839
Less: Allowance for impairment losses	(22,665,125)	(55,647,765)
	2,797,030	107,392,074
Amount due to subsidiaries	(8,159,884)	(1,815,604)

The movements of allowance for impairment losses are as follows:

	Company	
	31.12.2025	**30.6.2024**
	RM	**RM**
At beginning of the financial period/year	55,647,765	8,633,628
Impairment losses recognised	22,664,256	47,014,137
Reversal of impairment losses recognised	(55,646,896)	-
At end of the financial period/year	22,665,125	55,647,765

The amount due from subsidiaries are unsecured, interest free and receivable on demand.

During the financial period, certain subsidiaries within the Group faced a situation where the recoverable amount was lower than the carrying amount due to the absence of future business plans. As a result, an impairment loss amounting to RM22,664,256 (30.6.2024: RM47,014,137) was recognised during the financial period/year.

24. AMOUNT DUE FROM AN ASSOCIATE

Amount due from an associate is non-trade in nature, unsecured, interest free and receivable on demand.

25. DEPOSITS WITH LICENSED BANKS

Included in deposits with licensed banks of the Group and of the Company is amount of RM264,365 (30.6.2024: RM3,286,610 and RM3,258,110), which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries.

The interest rate and maturity tenure of deposits with licensed banks of the Group and of the Company at the reporting date ranges from 2.45% to 2.65% (30.6.2024: 3.05% to 3.44%) per annum and 1 to 6 months (30.6.2024: 1 to 6 months).

26. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALES AND DISCONTINUED OPERATION

On 15 May 2024, MGASB, a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement ("SPA") with Full Spectrum G Sdn. Bhd. ("Full Spectrum") for the sale and transfer of its 100% equity interest in ISE for a total consideration of RM4,000,000.

MGASB has established an IMTN program, known as the ASEAN Sukuk. At the Completion Date or the Extended Completion Period, as applicable, Full Spectrum is required to settle and/or redeem the outstanding Sukuk debt, including any penalties arising from the Sukuk Debt.

26. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALES AND DISCONTINUED OPERATION (CONT'D)

In the event that the Full Spectrum fails to settle the Sukuk debt by the Completion Date, the parties may mutually agree to extend the deadline for settlement. If Full Spectrum fails to settle the Sukuk debt by the end of the extended period, the Company will be entitled to pursue any legal remedies available to enforce specific performance of the Agreement or seek other relief as permitted by law.

As at 30 June 2024, the parties have mutually agreed to extend the deadline to 15 November 2024 as Full Spectrum has yet to settle the Sukuk debt and hence the condition precedents of the SPA is yet to be completed.

Assets/(Liabilities) of a disposal group classified as held for sale

	Group 30.6.2024 RM
Assets	
Plant and equipment	16,856,782
Right-of-use assets	556,697
Trade receivables	174,315
Other receivables	86,208
Amount due from ultimate holding company	1,815,604
Tax recoverable	13,033
Deposit with a licensed bank	750,000
Cash and bank balances	123,826
	20,376,465
Less: Group elimination adjustments	(1,990,779)
Impairment of assets held for sales	(3,861,493)
Assets held for sale	14,524,193
Liabilities	
Lease liabilities	626,177
Trade payables	179,180
Other payables	193,850
Income tax payable	12,408
Amount due to immediate holding company	10,441,720
	11,453,335
Less: Group elimination adjustments	(10,441,720)
Liabilities of disposal group	1,011,615
Net assets classified as held for sale	13,512,578

Certain assets included in assets held for sales have been charged to a financial institution for Islamic medium term notes granted to the Group as disclosed in Note 34 as follows:

	Group 30.6.2024 RM
Mini hydro power plant	14,965,287
Office equipment, furniture and fittings	16,255
Plant and machinery	22,242
Road infrastructure	142,187
	15,145,971

26. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALES AND DISCONTINUED OPERATION (CONT'D)

Assets/(Liabilities) of a disposal group classified as held for sale (Cont'd)

The mini hydro power plant is depreciated over the lease period of 21 years.

In accordance in MFRS 5, the assets and liabilities held for sale of the above disposal group has been written down to their fair value less cost to sell. The fair value has been measured by agreeing to the consideration price per the sales and purchase agreement.

On 9 January 2025, the proposed arrangement has been completed with full settlement of the remaining islamic medium term notes, in accordance with the terms and conditions of the SSA. Subsequent thereto, ISE ceased to be a subsidiary of the Company.

Following the disposal of ISE, the result of ISE shall be deconsolidated from the Group on the same date. However, the Group has elected to deconsolidated ISE's results based on its financials as at 31 December 2024, as the financial results from 1 January 2025 up to 9 January 2025 were deemed insignificant to the Group.

	Group	
	1.7.2024 to 31.12.2024 (6 months) RM	**1.7.2023 to 30.6.2024 (6 months) RM**
Revenue	761,259	4,416,526
Cost of sales	(636,939)	(1,998,149)
Gross profit	124,320	2,418,377
Other income	17,258	72,265
Administration expenses	(190,492)	(1,288,129)
Other expenses	(44,603)	(132,532)
Finance cost	(1,243)	(39,918)
(Loss)/Profit before tax	(94,760)	1,030,063
Income tax expenses	-	(12,408)
(Loss)/Profit for the financial period/year, representing total comprehensive (loss)/income for the financial period/year	(94,760)	1,017,655

Cash flows (used in)/from discontinued operation:

	31.12.2024 RM	**30.6.2024 RM**
Net cash from operating activities	46,767	3,374,946
Net cash (used in)/from investing activities	300,119	(1,803,469)
Net cash used in financing activities	(287,409)	(1,647,453)
Effect on cash flows	59,477	(75,976)

26. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALES AND DISCONTINUED OPERATION (CONT'D)

Assets/(Liabilities) of a disposal group classified as held for sale (Cont'd)

The carrying amounts of assets and liabilities as at 31 December 2024 were:

	ISE 31.12.2024 RM
Assets	
Plant and equipment	16,075,827
Right-of-use assets	530,276
Trade receivables	144,776
Other receivables	47,224
Amount owing from former ultimate holding company	1,241,741
Tax recoverable	5,146
Deposit with a licensed bank	750,000
Cash and bank balances	183,302
	18,978,292
Liabilities	
Lease liabilities	602,808
Trade payables	87,329
Other payables	18,545
Amount due to former immediate holding company	9,616,415
	10,325,097
Net assets of ISE at date of disposal	8,653,195

Summary of the effects of disposal of ISE:

	ISE 31.12.2024 RM
Net assets of ISE at date of disposal	8,653,195
Add: Assignment of debt	8,374,674
Less: Prior year impairment made	(3,861,493)
	13,166,376
Less: Purchase consideration	
- by settlement of cash	(4,000,000)
- by settlement of sukuk	(9,524,986)
Gain on disposal of ISE	(358,610)

Effect of disposal on the cash flows of the Group:

	ISE 31.12.2024 RM
Cash consideration	4,000,000
Less: Cash and bank balances of ISE at date of date of disposal	(933,302)
Net cash inflow from disposal of ISE	3,066,698

27. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	31.12.2025 Units	30.6.2024 Units	31.12.2025 RM	30.6.2024 RM
Issued and fully paid-up with no par value				
Ordinary shares				
At beginning of the financial period/year	190,529,247	190,529,247	224,232,852	224,232,852
Share capital reduction	-	-	(115,000,000)	-
At end of the financial period/year	190,529,247	190,529,247	109,232,852	224,232,852

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

During the financial period, the Company proposes to undertake the Proposed Share Capital Reduction by entails the reduction and cancellation of RM115,000,000 of the issued share capital of the Company pursuant to Section 116 of the Companies Act, 2016 in Malaysia. The corresponding credit of RM115,000,000 arising from such cancellation will be utilised to set off the accumulated losses of the Company, if any, will be credited to the retained earnings of the Company. The Proposed Share Capital Reduction will not result in any adjustment to Company's share price, total number of ordinary shares in issue, cash outflows or net assets.

28. MERGER DEFICIT

The merger deficit relates to a subsidiary which was consolidated under the merger method of accounting.

The merger deficit arose from the difference between the nominal value of shares issued for the acquisition of a subsidiary and the nominal value of the shares acquired.

29. FAIR VALUE RESERVE

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

30. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiary whose functional currencies are different from the Group's presentation currency.

31. EMPLOYEE SHARE OPTION SCHEME

The employee share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The Employee Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 12 November 2020. The ESOS is to be in force for a period of 5 years effective from 18 December 2020. On 10 December 2025, the Board of Directors has approved the extension of the ESOS for a further period of 5 years from 18 December 2025 to 17 December 2030 in accordance with ESOS By-Laws.

31. EMPLOYEE SHARE OPTION SCHEME (CONT'D)

The main features of the ESOS are as follows:

(i) Eligible persons are employees and/or directors of the Group who have been confirmed in the employment of the Group and is at least eighteen (18) years of age. Directors of the Group has been appointed in any company within the Group which is not dormant.

(ii) The maximum number of new ordinary shares of the Company, which may be available under the scheme, shall not exceed in aggregate 30%, or any such amount or percentage as may be permitted by the relevant authorities of the issued and paid-up share capital of the Company at any one time during the duration of the ESOS.

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

(iv) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new ordinary shares of the Company comprised in the ESOS.

(v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.

No ESOS has been granted during the financial period/year.

32. WARRANT RESERVE

	Group and Company			
	Number of shares		Amount	
	31.12.2025 Units	30.6.2024 Units	31.12.2025 RM	30.6.2024 RM
At beginning of the financial period/year	57,866,058	57,866,058	35,067,040	35,067,040
Warrants expired	(57,866,058)	-	(35,067,040)	-
At end of the financial period/year	-	57,866,058	-	35,067,040

The warrant reserve relates to the portion of proceeds from the rights shares issue subscribed to the attached warrants. As and when the warrants are exercised, the related balance in the warrant reserve will be transferred to the share capital account.

(a) Warrants A 2021/2024 ("Warrants A")

On 21 July 2021, the Company issued 578,660,588 free detachable warrants on a renounceable basis of twelve (12) Rights Shares together with seven (7) warrants for every two (2) existing shares held by the entitled shareholders on 21 June 2021.

The Warrants A are constituted by the Deed Poll dated 3 June 2021.

The salient features of the Warrants are as follows:

(i) the exercise price is RM0.10 per ordinary share and each Warrant A entitles the registered holder ("Warrantholders") to subscribe for one (1) new ordinary share of the Company during the 3 years period expiring on 19 July 2024 ("Exercise Period");

(ii) at the expiry of the Exercise Period, any warrants, which have not been exercised shall automatically lapse and cease to be valid for any purposes;

32. WARRANT RESERVE (CONT'D)

(a) Warrant A (Cont'd)

(iii) Warrantholders must exercise Warrants in accordance with the procedures set out in the Deed Poll and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing ordinary shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof; and

(iv) the Warrantholders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrantholders exercise their Warrants for new ordinary shares of the Company.

On 18 April 2023, the Company involves share consolidation for every 10 existing shares held on 18 April 2023.

Pursuant to the share consolidation, the exercise price and the number of outstanding Warrants A which are not exercised prior to the entitlement date will be adjusted in accordance with the provisions of the Deed Poll A ("Adjustments").

The outstanding Warrants A will be consolidated on the basis of every 10 Warrants A held by the entitled Warrant A holders ("Entitled Warrant A Holders") into 1 Warrant A ("Consolidated Warrant A").

Pursuant to the Adjustments, the existing number of 578,660,588 Warrants A will be adjusted into a maximum number of 57,866,058 Consolidated Warrants A to be issued and allotted to the Entitled Warrant A Holders. The actual number of Consolidated Warrants A to be issued and allotted would depend on the number of outstanding Warrants A which have yet to be exercised into new ordinary share of the Company as at the entitlement date.

Further, the existing exercise price of Warrants A of RM0.10 each will be revised to RM1 each pursuant to the Adjustments.

Upon expiring of Warrants A on 12 July 2024, the unexercised Warrants A of 57,866,058 were cancelled and removed from the Official List of Bursa Malaysia Securities Berhad on 15 July 2024.

As at 31 December 2025, the summary of movements of warrants is as follows:

		Number of warrants			
Issue Date	**Expiry Date**	**As at 1.7.2024**	**Exercised**	**Lapsed**	**As at 31.12.2025**
15.7.2021	12.7.2024	57,866,058	-	(57,866,058)	-

33. LEASE LIABILITIES

	Group		Company	
	31.12.2025 RM	**30.6.2024 RM**	**31.12.2025 RM**	**30.6.2024 RM**
At beginning of the financial period/year	586,967	1,433,610	102,797	254,956
Additions	383,720	104,053	-	-
Accretion of interest	49,194	31,350	5,009	6,121
Interest paid	(49,194)	(31,350)	(5,009)	(6,121)
Principal payments	(300,507)	(324,520)	(33,541)	(152,159)
Transfer to liabilities held for sale	-	(626,176)	-	-
At end of the financial period/year	670,180	586,967	69,256	102,797

33. LEASE LIABILITIES (CONT'D)

The maturity analysis of lease liabilities as at the end of financial period/year:

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Within 1 year	250,958	171,444	38,550	30,840
1 to 5 years	428,262	438,697	33,328	79,588
Later than 5 years	46,708	48,748	-	-
	725,928	658,889	71,878	110,428
Less: Future finance charges	(55,748)	(71,922)	(2,622)	(7,631)
Present value of lease liabilities	670,180	586,967	69,256	102,797
Presented as:				
Non-current	435,331	441,678	32,594	75,587
Current	234,849	145,289	36,662	27,210
	670,180	586,967	69,256	102,797

The Group and the Company lease an office building, motor vehicles and store. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The incremental borrowing rate applied to lease liabilities of the Group and of the Company at the reporting date ranges from 2.20% to 4.88% (30.6.2024: 1.94% to 6.27%) per annum.

34. ISLAMIC MEDIUM TERM NOTES

	Group	
	31.12.2025 RM	30.6.2024 RM
Non-current	-	7,926,775
Current	-	1,598,211
	-	9,524,986

(a) The Islamic Medium Term Notes ("IMTN") were secured by:

(i) Corporate guarantees of the Company, MEnergySB and ISE;

(ii) a legal assignment over the energy payments under the Renewable Energy Power Purchase Agreement ("REPPA") executed between the ISE and a third party;

(iii) a legal assignment and charge over all present and future rights, titles, benefits and interests in and to the Tranche 1 Designated Accounts established under the Tranche 1 Al-Kafalah facility and all monies from time to time standing to the credit of the Tranche 1 Designated Accounts;

(iv) a legal assignment over the rights, title, interest and benefit in and under all insurances/takaful policies required to be taken by ISE and the proceeds thereof with the Security Agent to be endorsed as the co-insured and/or loss payee of the insurances/takaful;

(v) an irrevocable and unconditional letter of undertaking from the Company, MEnergySB and ISE;

(vi) a debenture creating a first ranking fixed and floating charge over the Obligor's and ISE's present and future assets;

34. ISLAMIC MEDIUM-TERM NOTES (CONT'D)

(a) The Islamic Medium-Term Notes ("IMTN") were secured by: (Cont'd)

(vii) a first legal charge over the shares of the Obligor and ISE;

(viii) letter of support from the major shareholders of the Company in a format acceptable to Security Agent; and

(ix) Power of Attorney granted by MEnergySB in favour of Security Agent to facilitate the disposal of ISE shares upon the occurrence of a trigger event.

(b) The proceeds raised from Tranche 1 of the IMTN Programme shall be utilised by the Company as follows:

(i) to refinance the existing financing;

(ii) to pre-fund the relevant designated accounts under the Tranche 1 Al-Kafalah Facility;

(iii) to fund fees and expenses in relation to the IMTN Programme and the Tranche 1 Al-Kafalah Facility;

(iv) to fund capital expenditure/working capital of ISE; and

(v) to fund construction or acquisition of new Renewable Energy Assets.

The average effective interest rates per annum was as follows:

	Group 30.6.2024
Islamic medium term notes	5.50%

On 15 May 2024, MGA entered into a SPA with Full Spectrum for the disposal of its 100% equity interest in ISE for a total consideration of RM4,000,000, where Full Spectrum also undertaking to settle and/or redeem the outstanding IMTN (known as Sukuk debt). The details are as disclosed in Note 26.

The IMTN was fully settled during the financial period.

35. TRADE PAYABLES

Included in the trade payables of the Group are:

(i) retention sum amounting to RM5,546,199 (30.6.2024: RM6,254,560); and

(ii) a sum of legal settlement to Bauer (Malaysia) Sdn. Bhd. ("Bauer") amounting to RM2,241,765 (30.6.2024: RMNil).

Credit terms of trade payables of the Group range from 30 to 120 days (30.6.2024: 30 to 120 days).

36. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
Other payables	4,678,266	4,606,144	720,160	334,899
Deposits received	71,000	460,500	-	-
Accruals	8,244,884	719,431	237,125	111,590
	12,994,150	5,786,075	957,285	446,489

37. REDEEMABLE PREFERENCE SHARES

	Group 31.12.2025	
	Number of shares Units	Amount RM
Issued and fully paid redeemable preference shares:		
At end of the financial period	13,089,000	13,089,000

During the financial period, the Group, through its wholly-owned subsidiary, MDSB, issued 35,802,000 redeemable preference shares ("RPS") at RM1 per RPS to the Company and SESB, which were satisfied via capitalisation of amounts owing to them. Of these, 19,963,000 units of RPS were allotted to MGB (as disclosed in Note 15) and 15,839,000 units of RPS to SESB.

During the financial period, the Group also redeemed 2,750,000 units of RPS from SESB, amounting to RM2,750,000.

On 30 September 2025, MDSB and SESB entered into a repayment agreement for the redemption of the outstanding RPS, following the completion of the transfer of the remaining 10% equity interest in MDSB as disclosed in Note 15(a). Pursuant to the agreement, MDSB is contractually obligated to redeem the outstanding RPS through a series of fixed cash instalments commencing from 31 December 2025 to 31 December 2026.

The salient features of RPS are as follows:

(a) The RPS do not carry the right to vote, except for:

  (i) upon any resolution or an alteration of the Company's Constitution which affects the rights and privileges attaching to the preference shares;
  (ii) default in dividend payments where the dividends due are in arrears for more than 12 months;
  (iii) upon any resolution to reduce the Company's share capital;
  (iv) upon any resolution for the winding up of the Company; or
  (v) during the winding up of the Company.

(b) The RPS have no maturity date and are redeemable at the option of the Group.

(c) The RPS carry non-cumulative preferential dividends at a rate to be determined and declared by the Board.

38. BANK OVERDRAFTS

The bank overdrafts are secured by:

(i) a deed of assignment over the investment properties of the Group as disclosed in Note 14;
(ii) a joint and several guarantee of director of a subsidiary and third parties (former directors); and
(iii) a corporate guarantee of of PSB and a shareholder of a subsidiary.

The average effective interest rates per annum are as follows:

	Group	
	31.12.2025	**30.6.2024**
Bank overdrafts	10.23%	10.35%

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below shows the details in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

			Non-cash changes			
	At beginning of the financial period/year RM	**Financing cash flows (i) RM**	**New lease (Note 33) RM**	**Other changes (ii) RM**	**Transfer to assets held for sales (Note 26) RM**	**At end of the financial period/year RM**
Group						
31.12.2025						
Lease liabilities	586,967	(300,507)	383,720	-	-	670,180
Islamic medium term notes	9,524,986	(50,895)	-	(9,474,091)	-	-
Redeemable preference shares	-	(2,750,000)	-	15,839,000	-	13,089,000
	10,111,953	(3,050,507)	383,720	6,364,909	-	13,759,180
30.6.2024						
Lease liabilities	1,433,610	(324,520)	104,053	-	(626,176)	586,967
Islamic medium term notes	11,023,197	(1,600,000)	-	101,789	-	9,524,986
	12,456,807	(1,924,520)	104,053	101,789	(626,176)	10,111,953

39. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below shows the details in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At beginning of the financial year/period RM	Financing cash flow (i) RM	At end of the financial year/period RM
Company			
31.12.2025			
Lease liabilities	102,797	(33,541)	69,256
Amount due to subsidiaries	1,815,604	6,344,280	8,159,884
30.6.2024			
Lease liabilities	254,956	(152,159)	102,797
Amount due to subsidiaries	-	1,815,604	1,815,604

(i) The cash flows from lease liabilities, Islamic medium term notes, redeemable preference shares and amount due to subsidiaries make up the net amount of proceeds from or repayments or payment of borrowings in the statements of cash flows.

(ii) Other changes represent non-cash movements during the financial period/year arising from the capitalisation of amount owing to SESB into RPS and the settlement of Islamic medium term notes by Full Spectrum as part of the consideration from the disposal of ISE, as disclosed in Notes 37 and 26, respectively.

40. RELATED PARTY DISCLOSURE

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the directors and key management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade. In addition to the related party balances disclosed elsewhere in the financial statements, there were no (30.6.2024: no) other related party transactions during the financial period/year.

(c) Compensation of key management personnel

The remuneration of the directors of the Company and other key management personnel are disclosed in Note 9.

41. FINANCIAL INSTRUMENTS

Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group	
	31.12.2025 RM	30.6.2024 RM
Financial assets		
Fair value through profit or loss		
Other investments	17,693,692	25,548,776
Fair value through other comprehensive income		
Other investment	54,250	54,250

	Group		Company	
	31.12.2025 RM	30.6.2024 RM	31.12.2025 RM	30.6.2024 RM
At amortised costs				
Trade receivables	35,171,360	25,215,748	-	-
Other receivables and deposits	20,630,524	31,041,422	50,063,372	68,166
Amount due from subsidiaries	-	-	2,797,030	107,392,074
Amount due from an associate	-	26,410,933	-	26,410,933
Deposits with licensed banks	264,365	3,286,610	264,365	3,258,110
Cash and bank balances	8,382,383	8,676,516	3,919,614	61,430
Financial liabilities				
At amortised costs				
Trade payables	26,161,079	24,938,745	-	-
Other payables and accruals	12,994,150	5,786,075	957,285	446,489
Redeemable preference shares	13,089,000	-	-	-
Amount due to subsidiaries	-	-	8,159,884	1,815,604
Lease liabilities	670,180	586,967	69,256	102,797
Islamic medium term notes	-	9,524,986	-	-
Bank overdrafts	1,959,559	2,461,894	-	-

Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity and market risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, other receivables, contract assets and deposits with banks.

The Company's exposure to credit risk arises principally from loans or advances to subsidiaries, other receivables and financial guarantees given to banks for banking facilities granted to certain subsidiaries. There are no significant changes as compared to previous financial period.

41. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position except for financial guarantees given to banks for banking facilities granted to certain subsidiaries.

The Company's maximum exposure in their respect is RM21,248,017 (30.6.2024: RM3,258,110), representing the outstanding banking facilities to the subsidiaries as at the end of the reporting period.

Credit risk concentration

The Group's major concentration of credit risk related to the amount owing by 1 customer (30.6.2024: 1 customer) which constituted approximately 75% (30.6.2024: 56%) of its trade receivables as at the end of the reporting period.

Assessment of impairment losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is past due for more than a year.

Trade receivables and contract assets

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

Inputs, assumptions and techniques used for estimating impairment losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the expected credit loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected credit loss rates are based on the payment profiles of sales over a period of 24 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical observed default rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

41. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Other receivables

The Group and the Company apply the 3-stage general approach to measure the expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Deposits with licensed banks, cash and bank balances

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

Amount due from subsidiaries

The Company applies the 3-stage general approach to measure the expected credit losses for all inter-company balances.

Inputs, assumptions and techniques used for estimating impairment losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans or advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans or advances that are receivable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans or advances that are not receivable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.=

Financial guarantee contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. No loss allowances were identified based on 12-month expected credit losses.

41. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance its liquidity through internally generated cash flows and minimise liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	Contractual interest rate %	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
31.12.2025						
Financial liabilities						
Non-interest bearing						
Trade payables	-	25,335,166	825,913	-	26,161,079	26,161,079
Other payables and accruals	-	12,994,150	-	-	12,994,150	12,994,150
Redeemable preference shares	-	13,089,000	-	-	13,089,000	13,089,000
Interest bearing						
Lease liabilities	2.20 - 4.88	250,958	428,262	46,708	725,928	670,180
Bank overdrafts	10.23	1,959,559	-	-	1,959,559	1,959,559
		53,628,833	1,254,175	46,708	54,929,716	54,873,968
30.6.2024						
Financial liabilities						
Non-interest bearing						
Trade payables	-	24,938,745	-	-	24,938,745	24,938,745
Other payables and accruals	-	5,786,075	-	-	5,786,075	5,786,075
Non-interest bearing						
Lease liabilities	1.94 - 6.27	171,444	438,697	48,748	658,889	586,967
Islamic medium term notes	5.50	2,218,748	9,322,578	-	11,541,326	9,524,986
Bank overdrafts	10.35	2,461,894	-	-	2,461,894	2,461,894
		35,576,906	9,761,275	48,748	45,386,929	43,298,667

41. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

	Contractual interest rate %	On demand or within 1 year RM	1 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company					
31.12.2025					
Financial liabilities					
Non-interest bearing					
Other payables and accruals	-	957,285	-	957,285	957,285
Amount due to subsidiaries	-	8,159,884	-	8,159,884	8,159,884
Financial guarantee contract	-	21,248,017	-	21,248,017	-
Interest-bearing					
Lease liabilities	2.20 - 4.88	38,550	33,328	71,878	69,256
		30,403,736	33,328	30,437,064	9,186,425
30.6.2024					
Financial liabilities					
Non-interest bearing					
Other payables and accruals	-	446,489	-	446,489	446,489
Amount due to subsidiaries	-	1,815,604	-	1,815,604	1,815,604
Financial guarantee contract	-	3,258,110	-	3,258,110	-
Interest-bearing					
Lease liabilities	1.94 - 6.27	30,840	79,588	110,428	102,797
		5,551,043	79,588	5,630,631	2,364,890

The Company provides unsecured financial guarantees to banks and financial institutions in respect of credit facilities granted to certain subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. At end of the financial period/year, there was no indication that the subsidiaries would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on their credit facilities is remote.

(iii) Market risk

(a) Foreign currency risk

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the Group entities. As at 31 December 2025, the Group's exposure to foreign currency fluctuations is minimal, as the majority of its financial assets and liabilities are denominated in Ringgit Malaysia. The directors consider the risk to be not material to the Group's and the Company's overall financial position and performance.

41. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	31.12.2025 RM	30.6.2024 RM
Group		
Floating rate instrument		
Bank overdrafts	(1,959,559)	(2,461,894)
Fixed rate instruments		
Deposits with licensed banks	264,365	3,286,610
Lease liabilities	(670,180)	(586,967)
Islamic medium term notes	-	(9,524,986)
	(405,815)	(6,825,343)
Company		
Fixed rate instrument		
Deposits with licensed banks	264,365	3,258,110

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Interest rate risk sensitivity analysis

A change in 1% interest rate at the end of the reporting period would have increased or decreased the Group's loss after tax by RM14,893 (30.6.2024: RM18,710), arising mainly as a result of lower or higher interest expense on floating rate financial liability. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

41. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(c) Equity price risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices, for which prices in the future are uncertain. To manage the Group's exposure to equity price risk, the Investment Committee ("IC") which acts as a committee of the Board, reviews proposed transactions or proposed investments with a view to strategically allocate the Group's financial resources efficiently and to eliminate or minimise the risk of oversight in investment decisions.

The scope and functions of the IC are as follows:

- To develop and review the investment policies, investment criteria and investment strategies of the Group;
- To review, prior to Management entering into a definite agreement, proposed transactions or proposed investments;
- To review financial investment portfolios of the Group;
- To oversee current and future capital and financial resource requirements;
- To monitor the fund-raising activities of the Group;
- To conduct the annual performance evaluation of the Group's investment activities.

The Group manages price risk through diversification and selection of securities and other financial instruments with different risk profiles within specified limits set by the Board.

The overall market position is monitored on a daily basis by management and is reviewed on a quarterly basis by the Board. Compliance with the Group's investment policies are reported to the IC and Board on a quarterly basis.

Equity price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:

	31.12.2025 RM	30.6.2024 RM
Group		
Effect on loss after tax/equity		
Increase of 5%	672,360	970,853
Decrease of 5%	(672,360)	(970,853)

(c) Equity price risk (cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RMV
Group										
31.12.2025										
Financial assets										
Other investments:										
Quoted shares	17,697,942	-	-	17,697,942	-	-	-	-	17,697,942	17,697,942
Transferable club membership	-	50,000	-	50,000	-	-	-	-	50,000	50,000
Trade receivables	-	-	-	-	-	-	34,725,320	34,725,320	34,725,320	31,707,139
	17,697,942	50,000	-	17,747,942	-	-	34,725,320	34,725,320	52,473,262	49,455,081
Financial liability										
Trade payables	-	-	-	-	-	-	2,069,965	2,069,965	2,069,965	2,241,765
30.6.2024										
Financial assets										
Other investments:										
Quoted shares	25,553,026	-	-	25,553,026	-	-	-	-	25,553,026	25,553,026
Transferable club membership	-	50,000	-	50,000	-	-	-	-	50,000	50,000
	25,553,026	50,000	-	25,603,026	-	-	-	-	25,603,026	25,603,026
Financial liabilities										
Islamic medium term notes	-	-	-	-	-	10,757,461	-	10,757,461	10,757,461	9,524,986

41. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(c) Equity price risk (cont'd)

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

(a) The fair values above have been determined using the following basis:

(i) The fair value of the quoted equity investment is estimated at its quoted closing bid price at the end of the reporting period.

(ii) The fair value for golf club memberships is estimated based on references to current available counterparty quotations of the same investments.

(iii) The fair value of money market funds is based on the fund managers' statements at the reporting date.

(b) There was no transfer between level 1 and level 2 during the financial period/year.

(ii) Fair value of financial instruments not carried at fair value

(a) The fair values, which are for disclosure purposes, have been determined using the following basis:

(i) The fair value of IMTN, trade receivable and payable that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period.

(ii) The fair value of redeemable preference shares are determined using the discounted cash flow method based on discount rate that reflect the issuer's borrowing rate as at the end of reporting period.

(iii) The carrying amounts of cash and bank balances, short term receivables and payables and short-term borrowings reasonably approximate their fair value due to relatively short-term nature of these financial instruments.

42. CAPITAL MANAGEMENT

The Group's management manages its capital to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and maintain an optimal capital structure, so as to maximise shareholders value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

42. CAPITAL MANAGEMENT(CONT'D)

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group	
	31.12.2025 RM	30.6.2024 RM
Trade payables	26,161,079	24,938,745
Other payables and accruals	12,994,150	5,786,075
Redeemable preference shares	13,089,000	-
Lease liabilities	670,180	586,967
Islamic medium term notes	-	9,524,986
Bank overdrafts	1,959,559	2,461,894
Less: Deposits with licensed banks	(264,365)	(3,286,610)
Less: Cash and bank balances	(8,382,383)	(8,676,516)
Net debts	46,227,220	31,335,541
Total equity	90,432,332	135,261,093
Gearing ratio (times)	0.51	0.23

43. MATERIAL LITIGATIONS

The Group is not engaged in any material litigation cases as at the date of this report, other than the followings:

(a) In the matter of an adjudication between PSB ("Appellant") vs Ketua Pengarah Hasil Dalam Negeri ("Respondent") Tax Appeal before the Special Commissioner of Income Tax MOF.PKCP.700-7/1/2110

(b) In the matter of an adjudication between Ketua Pengarah Hasil Dalam Negeri ("Appellant") vs PSB ("Respondent") Tax Appeal before the Kuala Lumpur High Court against the decision of the Special Commissioners of Income Tax - Appeal No.: WA-14-30-12/2025

On 13 September 2018, the Appellant acquired the entire shareholdings of Pasukhas Cherating Sdn. Bhd. ("Pasukhas Cherating") by purchasing 1 unit of share for total cash consideration of RM1.00. On 28 September 2018, the Appellant entered into a Sale and Purchase Agreement ("SPA") with MTM Millennium Holdings Sdn. Bhd. ("MTM") to purchase a piece of freehold land located at GM823, Lot 1594, Tempat Gebeng, Mukim Sungai Karang, Daerah Kuantan, Negeri Pahang ("Land") for a consideration of RM4,700,000.00. On 2 November 2018, the Appellant via a nomination letter, nominated Pasukhas Cherating to undertake all obligations, title, benefits, interest and rights stipulated in the said SPA.

On 6 March 2019, MTM obtained approval from Pejabat Pengarah Tanah dan Galian Pahang to transfer the ownership of the Land to Pasukhas Cherating. Thereafter, Pasukhas Cherating became a real property company pursuant to Paragraph 34A(6)(b) of Schedule 2 of the Real Property Gains Tax ("RPGT") Act 1976 ("RPGT Act"). On 31 August 2019, Pasukhas Cherating allotted additional 99,999 units of shares to the Appellant with a consideration of RM1 per share. Upon the allotment of shares, Pasukhas Cherating became a wholly-owned subsidiary of the Appellant with 100,000 units of total issued shares.

On 27 November 2019, the Appellant entered into another SPA with Lim Siow Jin ("LSJ") to dispose of the entire shareholdings of Pasukhas Cherating (i.e. 100,000 units of shares) to LSJ for a purchase consideration of RM5,700,000. On 28 May 2021, the Respondent raised notice of assessment ("Form K") and notice of additional assessment ("Form KA") for the year of assessment ("YA") 2019 against the Appellant. Challenging the notice of assessment, the Appellant filed an appeal to the Special Commissioners of Income Tax ("SCIT") on 26 July 2021.

43. MATERIAL LITIGATION (CONT'D)

(b) (cont'd)

The main issues in this claim are:

(i) whether the Respondent has any legal and factual basis to:

(a) disregard Paragraph 34A(4) of Schedule 2 of the RPGT Act which defines disposal price as the amount or value of the consideration in money or money's worth for the disposal of the chargeable asset; and

(b) reject the Appellant's allocation of disposal price to the 1 unit of share and 99,999 units of shares, which was determined based on the value of the consideration in money's worth of the respective shares in the YA 2019.

(ii) Notwithstanding issue (i), whether the Respondent has any legal or factual basis to impose penalty against the Appellant for YA 2019 under Section 29(3) of the RPGT Act. The Appellant had also settled the RPGT liability on a without prejudice basis in June 2022, through 10 instalment payments. Accordingly, the present tax appeal is pursued for the purpose of securing a refund of the RPGT amount paid.

The Court had on 14 November 2025 fixed the decision. The Court held that the Appellant had successfully proven its case and hence, the Form K and Form KA both dated 28 May 2021 are set aside. The penalty for late filling of return if amounting to RM40,500.

Subsequent to the Court decision on 14 November 2025, the Respondents had on 3 December 2025 filed a Notice of Appeal to the Kuala Lumpur High Court arising from the dissatisfaction on the results of the SCIT.

The Court directed Parties to file written submission by 11 September 2026, to file reply of written submission by 9 October 2026 and Joint Scott Schedule and Chronology of Events by 23 November 2026. The hearing is fixed on 10 December 2026.

(c) In the matter of an adjudication between PSB ("Plaintiff") vs Empire Multiple Sdn Bhd ("First Defendant"), Lee Kong Choong ("Second Defendant"), Yee Loon Ming ("Third Defendant"), Tan Chuan Swee ("Fourth Defendant"), Ho Seng Loong ("Fifth Defendant"), Yee Kok Ching ("Sixth Defendant"), Chai Pin Fah ("Seventh Defendant"), Phuan Eng Sing ("Eighth Defendant"), Messrs Peter Ooi & Co ("Ninth Defendant") ("Collectively, referred to as "Defendants") Ipoh High Court Suit No. AA-22NCC-7-02-2020

On 15 October 2015, the First Defendant appointed the Plaintiff as the main contractor for the project known as Oasis Condominium pursuant to letter of award dated 15 October 2015. The First Defendant issued payment certificates certifying the total amount of RM5,570,939, of which only RM751,129 was paid, leaving an outstanding balance of RM4,819,809.

On 25 October 2017, the Plaintiff submitted variation orders for the sum of RM1,512,466. On 6 February 2018, the Plaintiff initiated adjudication proceedings under Construction Industry Payment and Adjudication Act 2012 ("CIPAA") against the First Defendant. On 17 August 2018, the Plaintiff obtained adjudication decision in its favour for the sum of RM4,900,011 against the First Defendant.

On 20 September 2018, the Plaintiff applied under Section 28 CIPAA to enforce the adjudication decision in High Court. On 8 October 2018, the First Defendant declared dividends to its shareholders, Second Defendant, Third Defendant, Fourth Defendant, Fifth Defendant and Sixth Defendant despite having knowledge of its debt to the Plaintiff. On 7 March 2019, the Plaintiff commenced winding-up proceedings against the First Defendant. At the same time, the First Defendant applied for ex-parte Fortuna Injunction ("Injunction") to restrain the Plaintiff from presenting the winding-up petition. On 27 March 2019, the Ipoh High Court affirmed the Injunction.

On 8 July 2019, the Plaintiff filed a Judgment-Debtor Summon ("JDS") against Second Defendant, Third Defendant, Fourth Defendant, Fifth Defendant and Sixth Defendant. On 26 July 2019, Second Defendant, Third Defendant, Fourth Defendant, Fifth Defendant and Sixth Defendant collectively resigned as the directors of the First Defendant, while Seventh Defendant and Eighth Defendant were appointed as the new directors. On 14 February 2020, the Plaintiff commenced legal action against the Defendants. The Defendants served their defences on 30 March 2020 and 31 March 2020 respectively. On 15 May 2020, the Plaintiff replied to the Defendants' defences. From 15 May 2020 to 1 June 2020, the Defendants have separately applied for the action to be struck out. On 29 November 2024, the Ipoh High Court dismissed the striking out applications made by the Defendants.

43. MATERIAL LITIGATION (CONT'D)

(c) (cont'd)

A case management for the finalisation of pre-trial documents took place on 27 March 2025. On 27 March 2025, the Ipoh High Court granted order in terms of the withdrawal of the solicitors for the Seventh Defendant and Eighth Defendant and the Ipoh High Court also directed that the pre-trial documents shall continue to be finalised despite the withdrawal of solicitors.

Pursuant to the case management held on 29 October 2025, the Ipoh High Court has fixed the trial dates on 10 to 12 February 2026 and 16 to 19 March 2026. The next case management is fixed on 15 December 2025 for parties to update the Ipoh High Court on the status of the pre-trial documents. Extension of time is granted for parties to file the pre-trial documents by the next case management.

Pursuant to the case managements held on 10 February 2026 and 23 February 2026:

(i) a consent judgment has been recorded between the Plaintiff and the 1st to 6th Defendants whereby the 2nd to 6th Defendants shall jointly and/or severally pay the Company a total settlement sum of RM5,000,000 in full and final settlement of the Company's claims, to be fully settled within three (3) years from the date of the Consent Judgment.

(ii) The Plaintiff has withdrawn its claims against the 7th and 8th Defendants with liberty to file afresh and with no order as to costs.

(iii) Both the Plaintiff's claim against the 9th Defendant and the 9th Defendant's counterclaim were withdrawn without liberty to file afresh. Costs of RM15,000 were awarded to the 9th Defendant.

(iv) All trial dates previously fixed were vacated.

Following the above, the matter has been concluded and there are no further court dates or directions. The remaining obligation relates to the 2nd to 6th Defendants' compliance with the payment terms under the consent judgment.

(d) In the matter of an adjudication between MGB ("Defendants") vs Ong Mei Lee ("First Plaintiff"), Teng Ah Kiong ("Second Plaintiff") Wee Hiang Chyn ("Third Plaintiff") (Collectively, referred to as "Plaintiffs") v-Shah Alam High Court Suit No. BA-22NCvC-248-06/2022 ("Suit 248")

By way of a Share Sale Agreement dated 2 August 2016 ("SSA"), the Plaintiffs agreed to sell, and the Defendant agreed to purchase the Plaintiffs' shares in Pasukhas Construction Sdn. Bhd. for a purchase consideration of RM17,223,900.

On 28 June 2022, the Plaintiffs commenced Suit 248 against the Defendant and claimed for, among others, the following relief:

(i) a sum of RM2,362,146 be paid by the Defendant to the Plaintiffs as follows:

  (a) a sum of RM944,859 be paid by the Defendant to the First Plaintiff, which is 40% of RM2,362,146, based on the First Plaintiff's portion of shares;

  (b) a sum of RM944,859 be paid by the Defendant to the Second Plaintiff, which is 40% of RM2,362,146, based on the Second Plaintiff's portion of shares;

  (c) a sum of RM472,429 be paid by the Defendant to the Third Plaintiff, which is 20% of RM2,362,146, based on the Third Plaintiff's portion of shares; and

(ii) interest at the rate of 5% per annum on the sum of RM2,362,146 from the date of writ until the date of full settlement.

43. MATERIAL LITIGATION (CONT'D)

(d) (cont'd)

On 22 February 2023, the Defendant counterclaims against the Plaintiffs for, among others, the following:

(i) a declaration that the sum of "Profit Shortfall" as defined in the SSA is RM12,885,842.00;

(ii) a declaration that the sum of compensation payable by the Plaintiffs to the Defendant as set out in the SSA is RM7,873,824, which is the maximum amount payable by the Plaintiffs for the "Profit Shortfall" as defined in the SSA;

(iii) a declaration that the sum of RM7,873,824, which is the maximum amount payable by the Plaintiffs for the "Profit Shortfall" as defined in the SSA, shall be deducted by the Defendant from the "Balance Cash Sum" as defined in the SSA, in accordance with the SSA;

(iv) a declaration that after deducting the sum of RM7,873,824, which is the maximum amount payable by the Plaintiffs for the "Profit Shortfall" as defined in the SSA, from the "Balance Cash Sum" as defined in the SSA, in accordance with the SSA, the Defendant does not have to pay any monies to the Plaintiffs and the Plaintiffs have to pay RM1 to the Defendant;

(v) a sum of RM1; and

(vi) interest at the rate of 5% per annum on the judgment sum from the date of judgment until full and final settlement.

On 23 April 2025, the High Court has allowed the Plaintiff's claim and dismissed the Defendant's counterclaim with a cost of RM20,000 awarded to the Plaintiffs. Following the High Court's decision, the Defendant is required to pay:

(i) a total judgement amount of RM2,362,146 to the Plaintiffs;

(ii) interest over the said judgment amount at the rate of 5% per annum from date of writ until the full and final settlement; and

(iii) costs of RM20,000 with allocatur.

(Collectively known as "Judgement")

On 16 May 2025, the application for stay of execution of the Judgment dated 23 April 2025 ("Stay Application") has been filed. The Stay Application was fixed for case management on 20 May 2025. The Court fixed 26 June 2025 for hearing of the Stay Application and pending the disposal of the Stay Application, the Court has granted an interim stay. The Court has fixed 17 July 2025 for hearing of the stay application pending the Plaintiffs' instructions on the Defendant proposed terms of conditional stay.

On 17 July 2025, the Plaintiffs' solicitors counter-proposed terms on the conditional stay and the Defendant's solicitors required time to take instructions. Therefore, the hearing was rescheduled to 25 July 2025. On 25 July 2025, the parties entered into a Consent Order dated 25 July 2025. Pursuant to Paragraph 1(a) of the Consent Order, the Defendant shall pay the sum of RM2,748,917 ("Sum") (included in other receivables as disclosed in Note 21) into the joint solicitors' fixed deposit interest-bearing account ("Account") pending the outcome of the appeal in the Court of Appeal ("Appeal"). On 20 August 2025, the Sum was deposited into the Account. Further, the Appeal is fixed for hearing on 1 July 2026.

43. MATERIAL LITIGATION (CONT'D)

(e) Bauer (Malaysia) Sdn Bhd ("Plaintiff") vs PSB ("Defendant") Shah Alam High Court Suit No. BA-22C-33-07/2023 ("Suit 33")

By way of the letter of award dated 20 October 2014, the Defendant appointed the Plaintiff as the sub-contractor to carry out piling works.

On 14 July 2023, the Plaintiff commenced Suit 33 against the Defendant for, among others, the following reliefs:

(i) the Defendant makes full payment of the outstanding sum of RM1,119,829 ("Principal Sum") arising from the unpaid certified monies in interim payment certificates no. 9 to 12 and final account and simple interest on the Principal Sum, based on the Maybank base lending rate plus 1% from the date it was due and payable till the date of judgment within 10 working days from the date of judgment;

(ii) that the Defendant releases full retention sum to the Plaintiff amounting to RM727,883 and simple interest on the retention sum, based on Maybank base lending rate plus 1% from the date it was due and payable till the date of judgment within 10 working days from the date of judgment;

(iii) that the Defendant releases the back charge in interim payment certificate no. 9 ("IPC 9") to the Plaintiff amounting to RM29,191 from IPC 9 and simple interest on this sum, based on Maybank base lending rate plus 1% from the date it was due and payable till the date of judgment within 10 working days from the date of judgment;

(iv) that the Defendant releases the back charge awarded to the Defendant in the first adjudication proceedings amounting to RM9,091 and simple interest on this sum, based on Maybank base lending rate plus 1% from the date it was due and payable till the date of judgment within 10 working days from the date of judgment;

(v) general damages to be assessed;

(vi) interest at the rate of 5% per annum on the sum of judgment from the date of judgment until full and final settlement of the sum;

(vii) costs; and

(viii) interest at the rate of 5% per annum on the costs awarded from the date of award until full payment of the costs.

The Plaintiff had agreed to work together with the Defendant to recover their respective claims from Senja Aman Development Sdn. Bhd. ("Senja Aman") by way of a letter dated 22 February 2019 and the Plaintiff had failed, refused and/or neglected to proceed with the claims against Senja Aman together with the Defendant as agreed. The Plaintiff had commenced the adjudication proceedings and Suit 33 in bad faith. Further, the Plaintiff is estopped from commencing the adjudication proceedings and Suit 33 against the Suit 33 is fixed for trial on 23 June 2025 to 26 June 2025 and 1 July 2025 to 3 July 2025. The Defendant's solicitors are of the view that the Defendant has a reasonably good chance in resisting the Plaintiff's claim and to succeed in the Defendant's counterclaim.

(f) Bauer (Malaysia) Sdn. Bhd. ("Plaintiff") vs PSB ("Defendant") Shah Alam High Court Originating Summons No. BA-24C-2-01/2024 ("OS 2")
PSB ("Appellant") vs Bauer (Malaysia) Sdn. Bhd. ("Respondent") Court of Appeal Civil Appeal No. B-02(C)(A)-1873-10/2024 ("Appeal 1873")

By way of the letter of award dated 20 October 2014, the Defendant appointed the Plaintiff as the sub-contractor to carry out piling works.

The Plaintiff commenced adjudication proceedings against the Defendant which was registered as Adjudication Reference No. AIAC/D/ADJ-4858-2023.

43. MATERIAL LITIGATION (CONT'D)

(f) (cont'd)

In the adjudication proceedings:

(i) the Plaintiff claimed that the Defendant has certified certain sums that remain due and owing to the Plaintiff. The Plaintiff claimed for, among others, payment of the sum of RM2,459,736, interest of RM1,284,260 and costs; and

(ii) the Defendant had a cross claim of RM2,775,597 against the Plaintiff for the amount due and owing by the Plaintiff under the letter of award dated 20 October 2014 after deducting the liquidated damages and payment previously made by the Defendant.

On 8 December 2023, the adjudicator delivered the adjudication decision as follows:

(i) the Defendant to pay the adjudicated amount of RM2,763,679 to the Plaintiff on or before 22 December 2023 in the manner of a cheque or other secured financial instruments;

(ii) pursuant to section 18(1) of CIPAA, the Defendant to pay the costs of the adjudication proceedings amounting to RM21,936.40 to the Plaintiff on or before 22 December 2023 in the manner of a bank draft or any other secured financial instruments;

(iii) pursuant to section 18(1) of CIPAA, the Defendant to pay the party to party cost amounting to RM46,088 to the Plaintiff on or before 22 December 2023 in the manner of a bank draft or any other secured financial instruments; and

(iv) pursuant to section 25(o) of CIPAA, a simple interest of 5% per annum shall be applied from 23 December 2023 on any part of the adjudicated amount which remain unpaid until the same is paid.

On 3 January 2024, the Plaintiff filed OS 2 to enforce the adjudication decision as a High Court judgment or order. On 12 July 2024, OS 2 was heard before the learned Judicial Commissioner. On 27 September 2024, the Shah Alam High Court allowed OS 2 with no order as to costs ("Order dated 27 September 2024"). On 7 November 2024, the Defendant filed an application to stay all enforcement of the Order dated 27 September 2024 pending the Court of Appeal Civil Appeal No. B 02(C)(A)-1873-10/2024 ("Stay Application"). On 22 January 2025, the Shah Alam High Court dismissed the Stay Application with costs of RM5,000.

The Appellant filed the Appeal 1873 against the decision of the Shah Alam High Court in allowing the OS 2. On 25 February 2025, the Appellant filed a motion to stay all enforcement of the Order dated 27 September 2024 pending disposal of the Appeal 1873 ("Stay Motion"). The Stay Motion is fixed for hearing on 30 May 2025. The Appeal 1873 is fixed for hearing on 8 July 2025. The Appellant's solicitors are of the view that the Appellant may face an uphill task to succeed in the Stay Motion and Appeal 1873. In the event that Stay Motion and Appeal 1873 are dismissed, the Appellant may be ordered to pay costs and the Respondent may proceed to enforce the Order dated 27 September 2024.

(g) PSB ("Plaintiff") vs Bauer (Malaysia) Sdn Bhd ("Defendant") Shah Alam High Court Originating Summons No. BA-24C-98-12/2023 ("OS 98") PSB ("Appellant") vs Bauer (Malaysia) Sdn. Bhd. ("Respondent") Court of Appeal Civil Appeal No. B-02(C)(A)-1874 10/2024 ("Appeal 1874")

By way of a letter of award dated 20 October 2014, the Plaintiff appointed the Defendant as the sub-contractor to carry out piling works.

On 4 July 2023, the Defendant commenced adjudication proceedings against the Plaintiff which was registered as Adjudication Reference No. AIAC/D/ADJ-4858-2023.

43. MATERIAL LITIGATION (CONT'D)

(g) (cont'd)

In the adjudication proceedings:

(i) the Defendant claimed that the Plaintiff has certified certain sums that remain due and owing to Defendant. The Defendant claimed for, among others, payment of the sum of RM2,459,736, interest of RM1,284,260 and costs; and

(ii) the Plaintiff had a cross claim of RM2,775,597 against the Defendant for the amount due and owning by the Defendant under the letter of award dated 20 October 2014 after deducting the liquidated damages and payment previously made by the Plaintiff.

On 8 December 2023, the adjudicator delivered the adjudication decision as follows:

(i) the Plaintiff to pay the adjudicated amount of RM2,763,678.63 to the Defendant on or before 22 December 2023 in the manner of a cheque or other secured financial instruments;

(ii) pursuant to section 18(1) of the CIPAA, the Plaintiff to pay the costs of the adjudication proceedings amounting to RM21,936.40 to the Defendant on or before 22 December 2023 in the manner of a bank draft or any other secured financial instruments;

(iii) pursuant to section 18(1) of CIPAA, the Plaintiff to pay the party to party cost amounting to RM46,088.20 to the Defendant on or before 22 December 2023 in the manner of a bank draft or any other secured financial instruments; and

(iv) pursuant to section 25(o) of CIPAA, a simple interest of 5% per annum shall be applied from 23 December 2023 on any part of the adjudicated amount which remain unpaid until the same is paid.

On 27 December 2023, the Plaintiff filed OS 98 to set aside the adjudication decision. On 12 July 2024, OS 98 was heard before the learned Judicial Commissioner. On 27 September 2024, the Shah Alam High Court dismissed OS 98 with costs of RM5,000.

The Appellant filed the Appeal 1874 against the decision of the Shah Alam High Court in dismissing the OS 98 with costs of RM5,000. The Appeal 1874 is fixed for hearing on 8 July 2025. The Appellant's solicitors are of the view that the Appellant may face an uphill task to succeed in Appeal 1874. In the event that the Appeal 1874 is dismissed, the Appellant may be ordered to pay costs.

(h) PSB ("Plaintiff") vs Bauer (Malaysia) Sdn. Bhd. ("Defendant") Shah Alam High Court Originating Summons No. BA-24NCC-20-02/2025 ("OS 20")

On 14 February 2025 and 19 February 2025, the Defendant served statutory notices dated 14 February 2025 on the Plaintiff.

On 26 February 2025, the Plaintiff filed OS 20 for, among others, the following relief:

(i) that the Defendant, whether by themself, their agent or servant or otherwise be restrained and an injunction be given to restrain them from presenting any petition to wind up the Plaintiff under the Companies Act 2016 based on the sum of RM2,990,331 as demanded in the statutory notices dated 14 February 2025 which were served on the Plaintiff on 14 February 2025 and 19 February 2025; and

(ii) that in the event the Defendant has presented a petition to wind up the Plaintiff pending the hearing and disposal of OS 20, the Defendant, whether by themself, their agent or servant or otherwise be restrained and an injunction be given to restrain them from taking any further action on the winding up petition including but not limited to advertising and gazetting the winding up petition.

43. MATERIAL LITIGATION (CONT'D)

(h) (cont'd)

On 4 March 2025, the Shah Alam High Court granted an ad interim injunction order pending disposal of OS 20.

OS 20 is fixed for a hearing on 23 May 2025. The Plaintiff's solicitors are of the view that the Plaintiff may face an uphill task to succeed in OS 20. In the event that OS 20 is dismissed, the Plaintiff may be ordered to pay costs and the Defendant may proceed with presenting a petition to wind up the Plaintiff.

For cases (e), (f), (g) and (h), PSB had entered into a Settlement Agreement with Bauer on all the legal suits with settlement sum amounting RM2,831,703 on 24 June 2025. The settlement sum will be paid in a series of cash instalments commencing on 7 August 2025 and continuing through to 7 July 2027.

44. CAPITAL COMMITMENTS

The Group has made commitments for the acquisition of investment properties, as follows:

	Group	
	31.12.2025 RM	**30.6.2024 RM**
Approved and contracted for	490,000	-

45. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures in prior financial year's statements of profit or loss and other comprehensive income, statements of financial position and statements of cash flows as shown below have been reclassified to enhance comparability with current financial period's presentation. As a result, certain line items have been amended on the face of the statements of profit or loss and other comprehensive income, statements of financial position and statements of cash flows. The items reclassified were as follows:

	As previously stated RM	**Reclassification RM**	**As reclassified RM**
Group			
Statements of profit or loss and other comprehensive income for the financial year ended 30 June 2024			
Revenue	74,754,816	115,020	74,869,836
Other income	587,242	(115,020)	472,222
Statements of financial position as at 30 June 2024			
Other receivables	9,834,931	21,413,197	31,248,128
Amount due from associate	47,824,130	(21,413,197)	26,410,933
Other payables and accruals	14,186,075	(8,400,000)	5,786,075
Contract liabilities	602,227	8,400,000	9,002,227
Group			
Statements of cash flows for the financial year ended 30 June 2024			
Cash flows (used in)/from operating activities			
Changes in working capital:			
Contract assets	2,836,958	700,001	3,536,959
Trade and other receivables	(5,982,028)	(22,721,365)	(28,703,393)
Trade and other payables	10,068,667	(699,999)	9,368,668
Cash flows from/(used in) investing activities			
Repayment from associate	8,272,534	22,721,363	30,993,897

Analysis of Shareholdings

As At 27 March 2026

Total Number of Issued Shares	:	190,529,247
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)

Size of Shareholdings	No. of Shareholders	No. of Shares Held	% of Shares
Less than 100	1,189	35,318	0.02
100 to 1,000	2,582	1,213,382	0.64
1,001 to 10,000	2,381	10,487,368	5.50
10,001 to 100,000	1,217	41,515,252	21.79
100,001 to less than 5% of issued shares	192	109,922,527	57.69
5% and above of the issued shares	1	27,355,400	14.36
TOTAL	**7,562**	**190,529,247**	**100.00**

DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTRAR OF DIRECTORS' SHAREHOLDINGS)

	No. of Shares Held			
Name Of Directors	Direct	%	Indirect	%
Mejar Dato' Ismail Bin Ahmad	-	-	-	-
Mr. Tang Boon Koon	100,000	0.05	-	-
Mr. Lim Kian Seong	-	-	-	-
Dato' Nik Ismail Bin Dato' Nik Yusoff	-	-	-	-
Ms. Charissa Lim Zhu Ai	-	-	-	-
Mr. Teoh Kim Hooi	150,000	0.08	-	-

SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTRAR OF SUBSTANTIAL SHAREHOLDERS)

	No. of Shares Held			
Name Of Substantial Shareholders	Direct	%	Indirect	%
Joe Holding Berhad	-	-	26,031,000	13.66
GP Autobat Sdn. Bhd.	26,031,000	13.66	-	-

Analysis of Shareholdings (Cont'd)

As At 27 March 2026

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)
(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)

No.	Name	Shareholding (Unit)	%
1.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *- Exempt An For Lazarus Securities Pty Ltd*	27,355,400	14.36
2.	M & A Nominee (Tempatan) Sdn. Bhd. *- SFGHK Limited For Ae Multi Industries Sdn. Bhd.*	9,300,000	4.88
3.	M & A Nominee (Tempatan) Sdn. Bhd. *- For Oriented Media Holdings Limited*	9,200,000	4.83
4.	Cubetech Asia Sdn. Bhd.	9,195,100	4.83
5.	UOBM Nominees (Asing) Sdn. Bhd. *- Exempt An For SFGHK Limited*	9,052,300	4.75
6.	M & A Nominee (Tempatan) Sdn. Bhd. *- Exempt An For SFGHK Limited (Account Client)*	7,388,700	3.88
7.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Hee Yuen Sang (MY2105)*	4,290,000	2.25
8.	Chong Tong Siew	3,000,000	1.57
9.	Chia Hooi Liang	2,000,000	1.05
10.	Chin Kiam Hsung	1,977,500	1.04
11.	Public Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Ong Hock Soon (E-TAI/PRS)*	1,843,580	0.97
12.	Loo Kiew Man	1,700,000	0.89
13.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Chin Kiam Hsung*	1,520,600	0.80
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Chin Kiam Hsung*	1,495,900	0.79
15.	Chung Kin Chuan	1,170,000	0.61
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Martin Pau Kin Loong*	1,074,090	0.56
17.	Tan Kong Han	918,000	0.48
18.	Teo Chin Siong	820,600	0.43
19.	Eh Chian Liang	820,000	0.43
20.	Public Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Ching Wee Keong (E-JBU)*	780,000	0.41
21.	Chan Kai Lum	779,500	0.41
22.	Kenanga Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Michael Heng Chun Hong*	750,000	0.39
23.	Affin Hwang Nominees (Asing) Sdn. Bhd. *- Exempt An For SFGHK Limited (Account Client)*	739,400	0.39
24.	Chin Mei Yee	710,000	0.37
25.	Daren Yoon Thai On	690,000	0.36
26.	SJ SEC Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Goh Choon Kwang (SMT)*	637,300	0.33
27.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *- Chia Ah Hooi*	635,900	0.33
28.	Public Nominees (Tempatan) Sdn. Bhd. *- Pledged Securities Account For Johnson Hii Chang Hium (E-PDG)*	609,404	0.32
29.	Chong Yong Lin	600,000	0.31
30.	Chu Wan Chek	600,000	0.31
TOTAL		**101,653,274**	**53.35**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twentieth ("20th") Annual General Meeting ("**AGM**") of Midtown Group Berhad (Formerly known as Pasukhas Group Berhad) ("**Midtown**" or the "**Company**") will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Thursday, 25 June 2026** at **2:30 p.m.** or at any adjournment thereof, to transact the following businesses:

Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial period ended 31 December 2025 together with the Director' and Auditors Reports thereon. ***(Please refer to Note 2)***

2 To approve the payment of additional Directors' Fees of up to RM50,000 to the Directors of the Company and its subsidiaries for the period from the 19th AGM up to the conclusion of 20th AGM. ***(Ordinary Resolution 1)***

3. To approve the payment of Directors' Fees of up to RM600,000 to the Directors of the Company and its subsidiaries for the period from the 20th AGM up to the conclusion of 21st AGM. ***(Ordinary Resolution 2)***

4. To approve the payment of Directors' Benefits of up to RM200,000 to the Directors of the Company and its subsidiaries for the period from the 20th AGM up to the conclusion of 21st AGM. ***(Ordinary Resolution 3)***

5 To re-elect the following Directors retiring under the respective Clauses of the Constitution of the Company, and who, being eligible offer themselves for re-election:-

(i)	Mejar Dato' Ismail bin Ahmad	(Clause 97)	***(Ordinary Resolution 4)***
(ii)	Mr. Teoh Kim Hooi	(Clause 97)	***(Ordinary Resolution 5)***
(iii)	Mr. Lim Kian Seong	(Clause 104)	***(Ordinary Resolution 6)***
(iv)	Ms. Charissa Lim Zhu Ai	(Clause 104)	***(Ordinary Resolution 7)***

6. To re-appoint Messrs. Morison LC PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***(Ordinary Resolution 8)***

Special Business:

To consider and if thought fit, to pass the following resolution, with or without modifications as Ordinary Resolution of the Company:

7. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("Proposed General Mandate")** ***(Ordinary Resolution 9)***

"THAT subject always to Sections 75 and 76 of the Companies Act 2016 ("Act"), the Constitution, the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time 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 to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of 21st AGM or when it is required by law to be held, whichever is earlier, AND THAT the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Act read together with Clause 54 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Act.

AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

Notice of Annual General Meeting (Cont'd)

8. To consider any other business of which due notice shall be given in accordance with the Act.

BY ORDER OF THE BOARD

ADELINE TANG KOON LING
(LS 0009611) (SSM PC NO. 202008002271)

WONG YUET CHYN
(MAICSA 7047163) (SSM PC NO. 202008002451)
Company Secretaries

Pulau Pinang

Date: 30 April 2026

NOTES:-

1. Appointment of Proxy

(a) Please refer to the Administrative Guide for the procedures to register and participate in the meeting.

(b) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may, but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.

(c) Where a member appoints more than one (1) proxy, he/she shall specify the proportions of his/her holdings to be represented by each proxy, failing which, the appointment shall be invalid.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.

(f) The instrument appointing a proxy and the power of attorney or other authority (if any) may be made in physical form or electronic form. In the case of an appointment made in physical form, the Form of Proxy must be deposited at the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or email to sharereg@prosec.com.my. All Form of Proxy submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting.

(g) If the appointer is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

(h) Pursuant to Rule 8.31A(1) of the ACE LR of Bursa Securities, the resolution set out in the Notice of AGM shall be put to vote by poll.

(i) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at 15 June 2026 and only a Depositor whose name appears on such ROD shall be entitled to attend the AGM or appoint proxy to attend and/or vote on his/her behalf.

2. Audited Financial Statements for the financial period ended 31 December 2025

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of the shareholders is not required pursuant to the provisions of Sections 248(2) and 340(1)(a) of the Act. Hence, this Agenda is not put forward for voting by shareholders.

3. Ordinary Resolutions 1 and 2 - Proposed Directors' Fees

Pursuant to Section 230(1) of the Act, the Company shall at every AGM approve the fees of the Directors of the Company and its subsidiaries. The Directors' fees payable to the Directors have been reviewed by the Remuneration Committee and the Board of Directors ("Board") of the Company. The Directors' fees are in accordance with the remuneration framework of the Group.

The Ordinary Resolution 1 is proposed to facilitate the payment of additional Directors' fees following the extension of financial year end from 30 June 2025 to 31 December 2025 and the amount approved at the 19th AGM is no longer sufficient to meet the anticipated fees payable.

The Ordinary Resolution 2 is proposed to facilitate the payment of Directors' fees for the period from 20th AGM up to the conclusion of 21st AGM.

In the event the proposed Directors' fees are insufficient, the Board will seek the approval from the shareholders at the next AGM for additional fees to meet the shortfall.

Notice of Annual General Meeting (Cont'd)

4. **Ordinary Resolution 3 - Proposed Directors' Benefits (excluding Directors' fees)**

The Directors' Benefits (excluding Directors' Fees) comprise the allowances and other benefits. The total estimated amount of Directors' Benefits payable is calculated based on the number of scheduled Board and Board Committees meetings held for the period from the 20th AGM until the conclusion of the next AGM. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

5. **Ordinary Resolutions 4, 5, 6 and 7 - Re-election of Directors who retires in accordance with Clauses 97 and 104 respectively of the Constitution of the Company**

Clause 97 of the Constitution of the Company provides that an election of Directors shall take place each year at the AGM of the Company where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election provided always that Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. The Directors to retire in every year shall be those who have been longest in office since their last election. A retiring Director shall retain office until the close of the meeting at which he retires.

Clause 104 of the Constitution of the Company provides that any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Mejar Dato' Ismail bin Ahmad, Mr. Teoh Kim Hooi, Mr. Lim Kian Seong and Ms. Charissa Lim Zhu Ai who will be retiring and standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 20th AGM.

The Board had through the Nominating Committee ("NC") carried out the assessment on the Directors and agreed that all Directors meet the criteria as prescribed by Rule 2.20A of the ACE LR of Bursa Securities on character, experience, integrity, competence and time to effectively discharge their role as Directors. Based on the outcome from the evaluation, the NC and the Board were of the view that their performances were satisfactory and recommended their re-election for shareholders' approval.

The Board had also through the NC conducted an assessment on the independence of Mejar Dato' Ismail bin Ahmad and Ms. Charissa Lim Zhu Ai and are satisfied that they have complied with the criteria prescribed under Bursa Securities, and remain their independence in exercising their judgement and carry out their roles as the Independent Directors.

6. **Ordinary Resolution 8 - Re-appointment of Auditors**

The Board has through the Audit and Risk Management Committee ("ARMC") assessed the suitability and independence of the External Auditors, Messrs. Morison LC PLT and considered the re-appointment of Messrs. Morison LC PLT as Auditors of the Company. The Board and ARMC collectively agreed and satisfied that Messrs. Morison LC PLT has the relevant criteria prescribed by Rule 15.21 of the ACE LR of Bursa Securities.

7. **Explanatory Note on Special Business**

Ordinary Resolution 9 - Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Act

Ordinary Resolution 9 is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act.

Ordinary Resolution 9, if passed, will give the Directors of the Company authority to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company.

The Proposed General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to funding future investment project(s), working capital and/or acquisitions.

By approving the allotment and issue of the Company's shares pursuant to the Proposed General Mandate which will rank the equally with the existing issued shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the Act and Clause 54 of the Constitution of the Company to be first offered the Company's Shares which will result in a dilution to their shareholdings percentage in the Company.

As at the date of this notice, no shares had been allotted and issued since the General Mandate granted to the Directors at the last AGM held on 28 November 2024 and this authority will lapse at the conclusion of the 20th AGM of the Company.

Personal Data Privacy

By registering for the meeting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the meeting and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the meeting; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (which includes any adjournments thereof); and (c) for the Company's (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively the Purpose); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

Administrative Guide

For the Twentieth Annual General Meeting ("20th AGM")

Date & Time	:	Thursday, 25 June 2026 at 2:30 p.m.
Venue	:	Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

1. REGISTRATION AT THE 20TH AGM

(a) Registration will commence at 1:30 p.m. and will end at a time as directed by the Chairman of the Meeting.

(b) Kindly present your original MyKad or passport (for Non-Malaysian) to the registration personnel at the registration counter for verification.

(c) Upon verification, you are required to sign the Attendance List and will be given a wristband for entry to the meeting venue. There will be no replacement of the wristband in the event you lose or misplace the wristband.

(d) Registration on behalf of another person even with his/her original MyKad or passport is strictly **NOT ALLOWED**.

(e) If you are attending the AGM as a shareholder as well as proxy, you will be registered once and will only be given one wristband.

2. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

Only members whose names appear on the Record of Depositors as of 15 June 2026 shall be eligible to participate in the 20th AGM or appoint proxy(ies) or corporate representative(s) or attorney(s) and/or the Chairman of the Meeting to participate and vote on his/her behalf.

The hard copy of the Form of Proxy and/or documents relating to the appointment of proxy(ies) or corporate representative(s) or attorney(s) for the 20th AGM shall be deposited by hand or post with the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or email to sharereg@prosec.com.my not later than **Tuesday, 23 June 2026** at **2:30 p.m.**.

The procedures and requisite documents to be submitted by the respective members are summarised below:-

(I) <u>For Individual Members</u>

If an individual member is unable to participate the 20th AGM, he/she is encouraged to appoint proxy(ies) or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

(II) <u>For Corporate Members</u>

Corporate members [through the appointment of Corporate Representative(s) or proxy(ies)] who wish to participate at the 20th AGM is required to deposit the following documents to the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan not later than **Tuesday, 23 June 2026** at **2:30 p.m.**:

(a) Certificate of appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
(b) Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
(c) Corporate Representative's or proxy's email address and mobile phone number.

If a corporate member through the appointment of Corporate Representative(s) or proxy(ies) is unable to participate the 20th AGM, the corporate member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

(III) <u>For Institutional Members</u>

The beneficiaries of the shares under a Nominee Company's CDS account ("Institutional member(s)") who wish to participate at the 20th AGM may request its Nominee Company to appoint him/her as a proxy to participate at the 20th AGM. The Nominee Company is required to deposit the following documents to the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan not later than **Tuesday, 23 June 2026** at **2:30 p.m.** :

(a) Form of Proxy under the seal of the Nominee Company;
(b) Copy of the proxy's MyKad (front and back)/Passport; and
(c) Proxy's email address and mobile phone number.

If an institutional member is unable to participate the 20th AGM, the institutional member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Administrative Guide (Cont'd)

For the Twentieth Annual General Meeting ("20th AGM")

3. REVOCATION OF PROXY

Please note that if a Shareholder has submitted his/her Form of Proxy prior to the 20th AGM and subsequently decides to personally participate in the 20th AGM, the Shareholder must contact the Share Registrar to revoke the appointment of his/her proxy not later than **Tuesday, 23 June 2026** at **2:30 p.m.**.

4. VOTING AT MEETING

The voting at the 20th AGM will be conducted on a poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has appointed Prosec Share Registration Sdn. Bhd. as the Poll Administrator and SharePolls Sdn. Bhd. as Independent Scrutineers.

Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the voting session announced by the Chairman of the Meeting.

The Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions tabled for voting is duly passed or otherwise.

5. RESULTS OF THE VOTING

The resolutions proposed at the 20th AGM and the results of the voting for the same will be announced at the 20th AGM and subsequently via an announcement made by the Company through Bursa Securities at www.bursamalaysia.com.

6. NO RECORDING OR PHOTOGRAPHY

By participating at the 20th AGM, you agree that no part of the 20th AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronical, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

7. NO DOOR GIFTS OR VOUCHERS

There will be NO distribution of door gifts or vouchers.

8. OTHER INFORMATION FOR ATTENDEES AT THE 20TH AGM

(a) Parking bays are available at Menara Lien Hoe. Kindly use Touch 'n Go card, debit card or credit card to enter the parking bay as it is a cashless payment system.

(b) All attendees are required to register with the security personnel at the lobby of the building before they access to the meeting venue.

(c) Although the wearing of facemask in an enclosed area is now optional, attendees are encouraged to wear the face mask throughout the meeting session.

9. ENQUIRY

If you have any enquiries on the above, please contact the following officer during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays):-

Prosec Share Registration Sdn. Bhd.

Name	:	Mr. Vemalan a/l Naraynan Mr. Tee Yee Loon
Contact No.	:	03-3008 1123 / 012-766 8921
Email	:	sharereg@prosec.com.my

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Midtown Group Berhad
(Formerly known as Pasukhas Group Berhad)
200501009342 (686389-A)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.
No. of ordinary shares held

*I/We .... NRIC No./Passport No./Co. No. ....
(full name in block letters)

of ....
(full address)

Email Address .... Contact No. ....

being a *member/members of **MIDTOWN GROUP BERHAD (Formerly known as PASUKHAS GROUP BERHAD)**, hereby appoint

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholding to be Represented**
Address		
Email Address		**Contact No.**

*and/or failing *him/her

Name of Proxy	**NRIC No./Passport No.**	**% of Shareholding to be Represented**
Address		
Email Address		**Contact No.**

or failing *him/her, the **CHAIRMAN OF THE MEETING** as *my/our proxy to vote for *me/us on *my/our behalf at the Twentieth ("20th") Annual General Meeting ("AGM") of the Company, to be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Thursday, 25 June 2026** at **2:30 p.m.** or at any adjournment thereof, and to vote as indicated below:-

No.	Agenda	For	Against
1	Approval of payment of additional Directors' Fees of up to RM50,000 to the Directors of the Company and its subsidiaries for the period from the 19th AGM up to the conclusion of 20th AGM		
2	Approval of payment of Directors' Fees of up to RM600,000 to the Directors of the Company and its subsidiaries for the period from the 20th AGM up to the conclusion of 21st AGM		
3	Approval of payment of Directors' Benefits of up to RM200,000 to the Directors of the Company and its subsidiaries for the period from the 20th AGM up to the conclusion of 21st AGM		
4	Re-election of Mejar Dato' Ismail bin Ahmad as Director of the Company under Clause 97 of the Constitution of the Company		
5	Re-election of Mr. Teoh Kim Hooi as Director of the Company under Clause 97 of the Constitution of the Company		
6	Re-election of Mr. Lim Kian Seong as Director of the Company under Clause 104 of the Constitution of the Company		
7	Re-election of Ms. Charissa Lim Zhu Ai as Director of the Company under Clause 104 of the Constitution of the Company		
8	Re-appointment of Messrs. Morison LC PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
9	Authority to Allot and Issue shares under Sections 75 and 76 of the Companies Act 2016		

**Strike out whichever not applicable*

Please indicate with an "**X**" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting his/her discretion.

Dated this .... day of 2026

....
Signature(s) of member(s)

Notes:

(a) Please refer to the Administrative Guide for the procedures to register and participate in the meeting.

(b) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may, but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.

(c) Where a member appoints more than one (1) proxy, he/she shall specify the proportions of his/her holdings to be represented by each proxy, failing which, the appointment shall be invalid.

(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.

(f) The instrument appointing a proxy and the power of attorney or other authority (if any) may be made in physical form or electronic form. In the case of an appointment made in physical form, the Form of Proxy must be deposited at the Share Registrar's office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or email to sharereg@prosec.com.my. All Form of Proxy submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting.

(g) If the appointer is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

(h) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, the resolution set out in the Notice of AGM shall be put to vote by poll.

(i) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at 15 June 2026 and only a Depositor whose name appears on such ROD shall be entitled to attend the AGM or appoint proxy to attend and/or vote on his/her behalf.

Personal Data Privacy

By registering for the meeting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the meeting and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the meeting; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (which includes any adjournments thereof); and (c) for the Company's (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively the Purpose); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

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The Share Registrar of
MIDTOWN GROUP BERHAD
(Formerly known as PASUKHAS GROUP BERHAD)
Registration No. 200501009342 (686389-A)

c/o **PROSEC SHARE REGISTRATION SDN. BHD**.
DF2-09-02, Level 9, Persoft Tower
6B, Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan

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MIDTOWN

Midtown Group Berhad
(Formerly known as Pasukhas Group Berhad)
200501009342 (686389-A)

Lot 13.2, Level 13, Menara Lien Hoe, No.8 Persiaran Tropicana,
Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

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