



25

ANNUAL
REPORT



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CORPORATE PROFILE

Varia Berhad (“Varia” or “Company”) is an investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad on 17 November 1998.

Varia and its subsidiaries (“Group”) are primarily engaged in construction and property development, two core business segments that have demonstrated remarkable expansion since the Group’s establishment.

CONSTRUCTION



The Group’s construction arm comprises of Pembinaan Teguh Maju Sdn Bhd (“PTM”) and Mewah Kota Sdn Bhd (“MKSB”).

Since its inception, PTM has primarily focused on building construction, laying a strong foundation for excellence in the industry. Over the years, PTM has expanded its capabilities and accumulated extensive hands-on experience, enabling it to establish itself as a trusted and highly specialised contractor in both high-rise buildings and complex infrastructure works. This expertise is underpinned by a team of long-serving, dedicated and qualified professionals whose technical knowledge, commitment to quality and attention to detail have been instrumental in delivering projects that meet the highest standards. Their collective contribution not only ensures operational excellence but

also reinforces the long-term sustainability and growth of PTM in an increasingly competitive construction landscape.

MKSB was established over 40 years ago as a construction company undertaking small to medium-sized contracts including the construction of schools, residential homes, water treatment plants, pipe-laying works, security fencing and piling projects. These formative years laid the foundation for technical proficiency, operational discipline and a commitment to quality that remain at the core of MKSB’s ethos today.

In particular, MKSB’s extensive experience in water-related works has earned the confidence of its clients who continue to entrust MKSB with technically demanding projects.

PROPERTY DEVELOPMENT



In 2019, the Group diversified its business portfolio by venturing into property development, a strategic move designed to complement and leverage its established core expertise in construction. This expansion marked a significant milestone in the Group’s growth trajectory, allowing it to participate across the full value chain of the built environment from concept and design to construction and delivery.

To spearhead this new business segment, the Group restructured its property arm, Varia Land Sdn Bhd (“VLSB”) (formerly known as Paramount Ventures Sdn Bhd), positioning it as the driving force behind all property development initiatives. Since its restructuring, VLSB has entered into several strategic joint ventures to undertake residential and mixed-use development projects in Port Dickson (Negeri Sembilan) and Kuala Selangor (Selangor), aligning each project with market demand and urban growth trends. These developments not only reflect the Group’s commitment to quality, functionality and sustainable living environments but also reinforce its vision of creating lasting value for stakeholders and communities alike.

CORPORATE INFORMATION



BOARD OF DIRECTORS

Dato' Sri Dr. Mohd Nizom bin Sairi

Independent Non-Executive Chairman

Datuk Lau Beng Wei

Executive Deputy Chairman

Datuk Lau Beng Sin

Managing Director

Datuk Manivannan a/l Ganapathy

Executive Director

Datuk Wira Roslan bin Ab Rahman

Non-Independent Non-Executive Director

Datuk Kok Boon Kiat

Non-Independent Non-Executive Director

Shahrizam bin A Shukor

Senior Independent Non-Executive Director

Sharifah Rafidah binti Wan Mansor

Independent Non-Executive Director

Lailatul Azma binti Abdullah

Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

Shahrizam bin A Shukor

Members

Datuk Wira Roslan bin Ab Rahman

Lailatul Azma binti Abdullah

RISK MANAGEMENT COMMITTEE

Chairman

Shahrizam bin A Shukor

Members

Datuk Wira Roslan bin Ab Rahman

Lailatul Azma binti Abdullah

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Sharifah Rafidah binti Wan Mansor

Members

Dato' Sri Dr. Mohd Nizom bin Sairi

Datuk Kok Boon Kiat

SUSTAINABILITY COMMITTEE

Chairman

Datuk Lau Beng Sin

Members

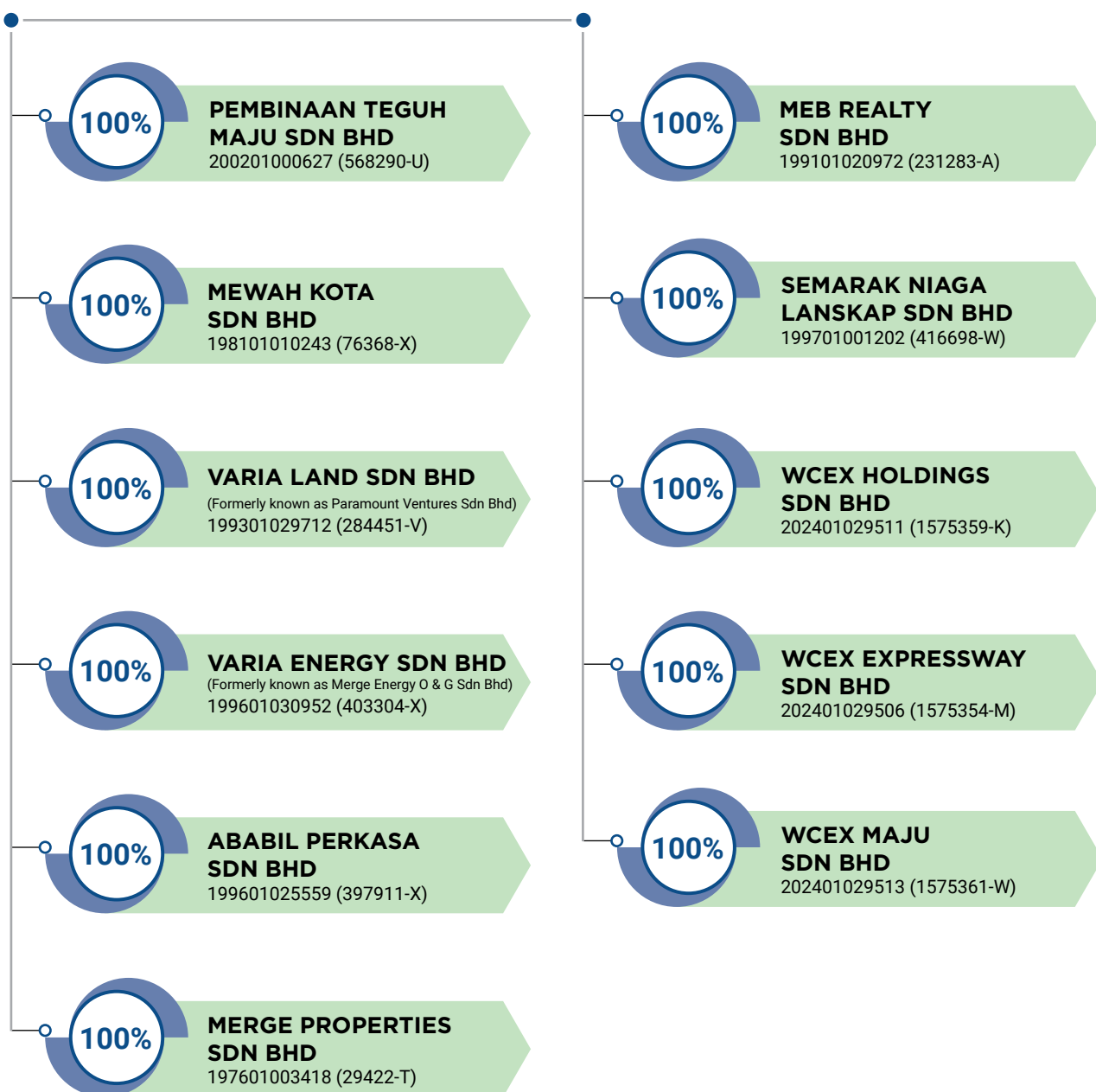
Datuk Manivannan a/l Ganapathy

Sharifah Rafidah binti Wan Mansor

CORPORATE INFORMATION (CONT'D)

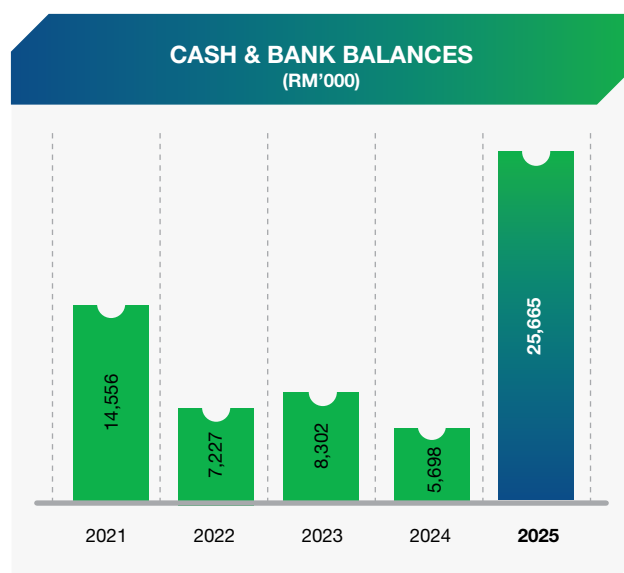
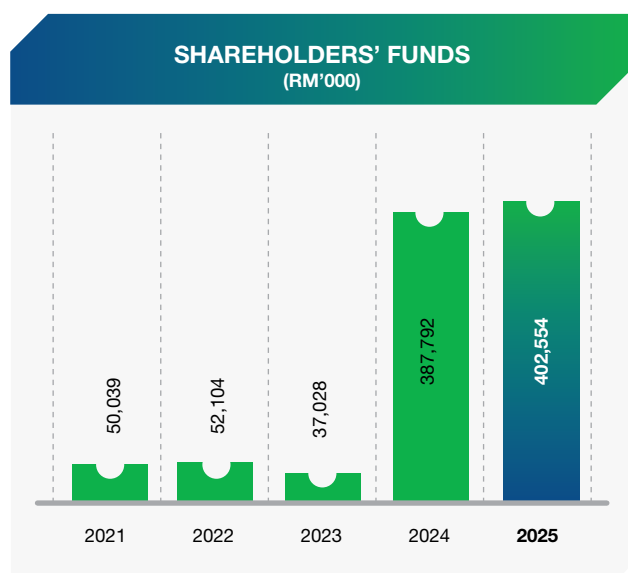
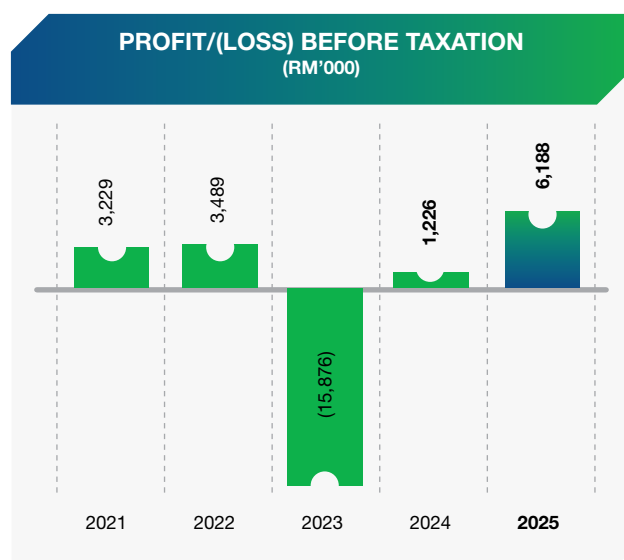
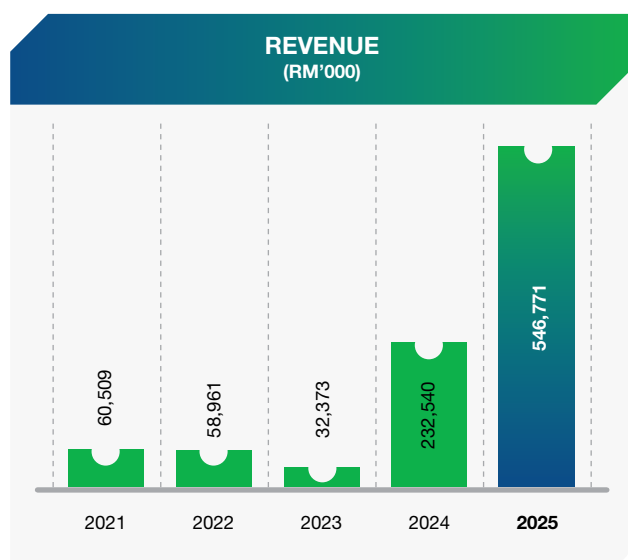
SHARE ISSUANCE SCHEME COMMITTEE	Chairman
	Datuk Manivannan a/l Ganapathy
SHARE REGISTRAR	Members
	Datuk Lau Beng Wei
	Datuk Lau Beng Sin
	Datuk Kok Boon Kiat
EXECUTIVE COMMITTEE	Chairman
	Datuk Lau Beng Sin
AUDITORS	Members
	Datuk Lau Beng Wei
	Datuk Manivannan a/l Ganapathy
	Datuk Koay Xing Boon
	Raizita binti Ahmad @ Harun
	Tang Lai Sum
	Yong Chu Lan
BANKERS	Tan Peng Long
COMPANY SECRETARY	Chin Foong Ping (MAICSA 7044276) (SSM PC No. 202008002708)
REGISTERED OFFICE	1105, Block E, Level 11 Pusat Dagangan Phileo Damansara 1 No. 9, Jalan 16/11 Off Jalan Damansara 46350 Petaling Jaya Selangor, Malaysia Tel. No. : +603-8309 3841 E-mail : varia@varia.com.my
STOCK EXCHANGE LISTING	Main Market of Bursa Malaysia Securities Berhad Stock Name : VARIA Stock Code : 5006 Sector : Construction
WEBSITE	www.varia.com.my

CORPORATE STRUCTURE



FINANCIAL HIGHLIGHTS

Audited					
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Revenue	60,509	58,961	32,373	232,540	546,771
Operating Profit/(Loss)	3,502	5,178	(13,972)	6,114	13,506
Profit/(Loss) before taxation	3,229	3,489	(15,876)	1,226	6,188
Profit/(Loss) after taxation	3,005	2,692	(16,446)	764	2,088
Retained Earnings	18,327	20,034	5,315	6,080	8,167
Shareholders' Funds	50,039	52,104	37,028	387,792	402,554
Cash & Bank Balances	14,556	7,227	8,302	5,698	25,665

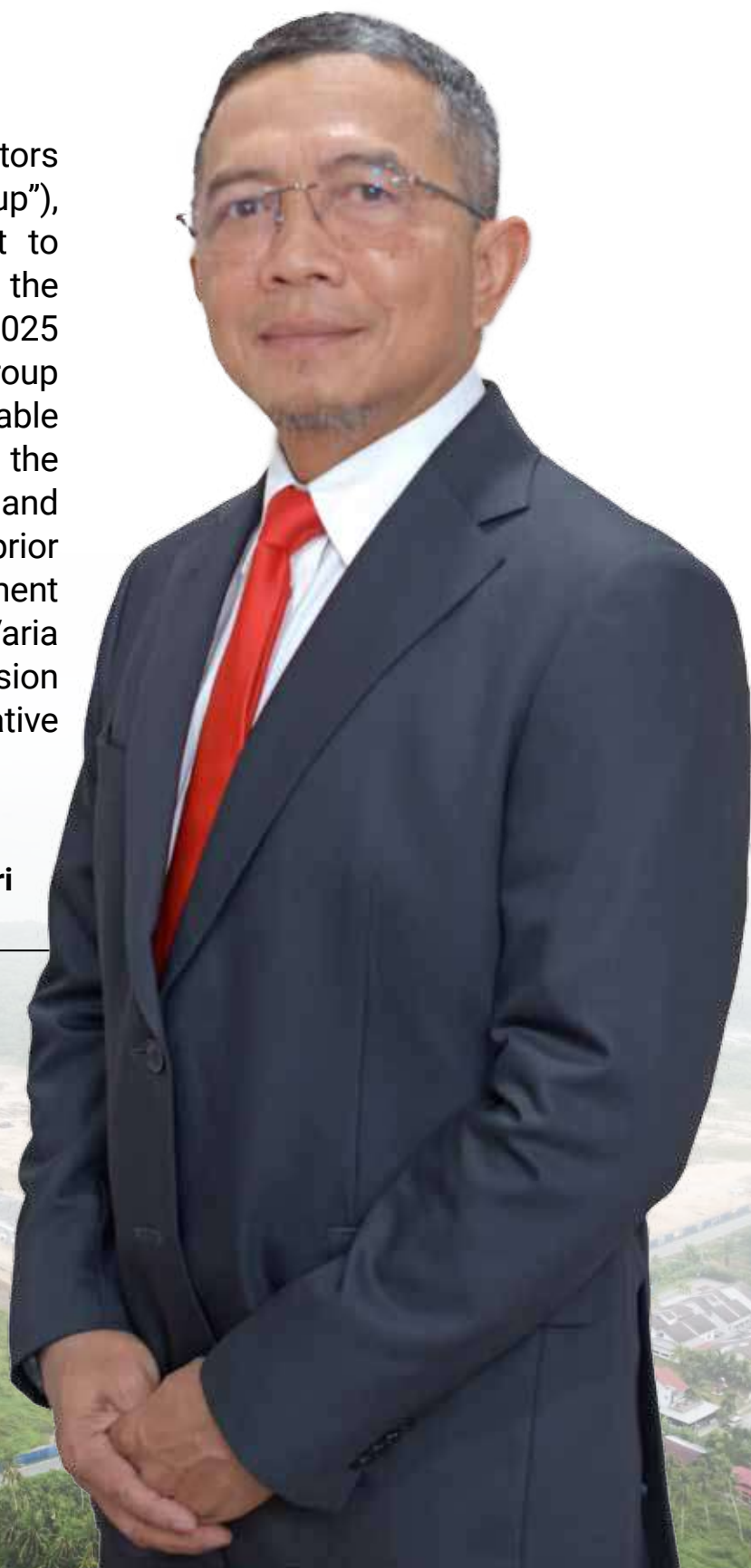


CHAIRMAN'S STATEMENT

To Our Valued Shareholders

On behalf of the Board of Directors of Varia Berhad (“Varia” or “Group”), it is my privilege to present to you our Annual Report for the financial year ended 30 June 2025 (“FYE2025”). This year, the Group has achieved commendable progress, building on the transformative rebranding and restructuring efforts of the prior period. With a strong commitment to sustainable growth, Varia continues to advance its mission of becoming a leader in innovative infrastructure development.

Dato’ Sri Dr. Mohd Nizom bin Sairi
Independent Non-Executive Chairman



CHAIRMAN'S STATEMENT (CONT'D)

Economic Landscape

Malaysia's economy continued to demonstrate resilience amid a moderating global landscape, supported by firm domestic demand, ongoing structural reforms and steady investment flows. Private consumption remained the principal growth driver, buoyed by a stable labour market, targeted government assistance, and improving household spending power. Concurrently, public sector initiatives in infrastructure, digital transformation, renewable energy, and industrial upgrading have further sustained economic momentum. With inflationary pressures easing from the previous year, the operating environment benefited from greater monetary stability and improved investor confidence.

On the external front, Malaysia continues to leverage its strategic position within ASEAN and its deep integration into regional trade and supply networks. Although global trade conditions remain uneven due to geopolitical uncertainties and slower recoveries in major economies, several key sectors including electrical and electronics, construction materials, services, logistics, and commodities have registered gradual improvements. The Government's continued focus on sustainability, technological advancement and fiscal consolidation under forthcoming national development plans is expected to underpin Malaysia's long-term growth path. Coupled with stronger public-private partnerships and enhanced foreign investment facilitation, the nation's economic outlook remains positive as it moves into the next financial year.

Financial Performance

The Group's financial results for FYE2025 underscored a year of strong progress and operational resilience. Revenue for the twelve-month period surged to RM546.77 million, more than doubling the RM232.54 million recorded in the preceding fifteen-month period. Profit before tax ("PBT") rose markedly to RM6.19 million, compared to RM1.23 million in FYE2024, reflecting strengthened profitability across the Group's operations. Earnings Before Interest, Taxes, Depreciation, and Amortisation ("EBITDA") stood at RM35.80 million, demonstrating the robustness of the



Group's core business despite the impact of amortisation of intangible assets amounting to RM19.65 million and financing costs incurred at the holding company level.

The integration of Pembinaan Teguh Maju Sdn Bhd ("PTM") continued to be a major driver of growth. PTM contributed RM471.88 million in revenue, RM47.83 million in gross profit and RM35.80 million in PBT, delivering a net profit after tax of RM27.02 million. These results reaffirm the accretive nature of the acquisition, which has further strengthened the Group's revenue base and profitability.

Construction remained the powerhouse of operations, contributing RM524.40 million in revenue. Progress on key ongoing projects such as Perkeso Ipoh, Pulau Indah, Puspahanas, Taiga, and UDA-Penang was complemented by new projects including STP-Mak Mandin, RTB-Klang, RTB-Kota Tinggi, RTB-Segamat, and Perkeso Setiu. Meanwhile, the property development segment contributed RM22.26 million in revenue and RM2.69 million in gross profit, mainly from the Taman Arowana Phase 1 mixed development project in Kuala Selangor.

Despite these achievements, performance was tempered by challenges at the Group level. Amortisation of intangibles, financing costs, administrative overheads and non-operating expenses weighed on overall profitability. Subsidiaries such as Mewah Kota Sdn Bhd ("MKSB") and Varia Land Sdn Bhd (formerly known as Paramount Ventures Sdn Bhd) ("VLSB") also faced headwinds, though both companies are positioned for recovery – MKSB through the securing of new projects and VLSB through the progression of new phases in the Kuala Selangor development, which will gradually contribute to future revenue.

CHAIRMAN'S STATEMENT (CONT'D)

The Group's balance sheet remained robust, with total assets rising to RM734.32 million from RM650.70 million in the prior period. Current liquidity strengthened to RM258.97 million (FYE2024: RM155.69 million), though liquidity ratios moderated following the Group's strategic decision to increase borrowings in order to fund business expansion and support new project wins. Overall, the financial performance in FYE2025 reflects the resilience of the Group's operations, the positive contributions of PTM and the strength of Varia's diversified portfolio.

Corporate Governance

The Group continues to enhance its corporate governance framework in line with evolving regulatory requirements, increasing stakeholder expectations and emerging sustainability reporting standards. Efforts are ongoing to align governance practices with the latest guidelines issued by Bursa Malaysia, the Malaysian Code on Corporate Governance and other relevant authorities. The Board remains steadfast in upholding accountability, transparency and integrity throughout the organisation, reinforced by continuous improvements to risk management oversight and internal control systems.

In addition, the Group has strengthened its focus on board effectiveness, regulatory compliance and the integration of environmental, social and governance (ESG) considerations as key pillars of long-term value creation. The Board and its Committees remain proactive in monitoring the latest governance developments and best practices to ensure continued alignment and operational excellence. Further details on the Group's governance structure and practices are presented in the relevant sections of this Annual Report.

Sustainability

In FYE2025, the Group continued to build on the progress achieved in the previous period by further strengthening its sustainability governance, performance monitoring and disclosure practices. Our initiatives during the year were closely aligned with evolving sustainability priorities and regulatory developments, including Bursa Malaysia's enhanced sustainability reporting framework and the phased integration of climate-related disclosures. At the same time, we refined our internal frameworks to more effectively track resource efficiency and social impact outcomes across our operations and project portfolio.

A heightened focus was placed on embedding ESG considerations into core business processes such as strategic planning, tender evaluations and supply chain management. The Group also deepened engagement

with subcontractors and business partners to promote responsible sourcing, workplace safety, ethical practices, and environmental stewardship. Furthermore, we expanded our focus on employee wellbeing, diversity and capability development to ensure that sustainability principles are consistently upheld across all levels of the organisation. Collectively, these initiatives reaffirm our commitment to long-term shared value creation, resilience and sustainable growth in an increasingly dynamic operating environment.

Outlook

Moving into 2026, the Group remains watchful as global economic conditions continue to adjust to persistent inflationary pressures, shifting monetary policies and ongoing geopolitical realignments. While global GDP growth is projected to remain steady, the recovery trajectory continues to vary across regions. Major economies are recalibrating their interest rate policies and fiscal support measures, with central banks balancing the need to contain inflation against the imperative to sustain economic activity. Trade fragmentation and geopolitical uncertainties continue to present downside risks, particularly for sectors dependent on international supply chains and foreign capital flows.



CHAIRMAN'S STATEMENT (CONT'D)



Across Asia, economic momentum is expected to be underpinned by supportive policy measures, stronger export demand and infrastructure-led growth. Nevertheless, factors such as subdued global trade demand, elevated financing costs and currency volatility are likely to remain key considerations for businesses operating within an increasingly complex regional landscape.

Domestically, Malaysia is projected to maintain its growth momentum in 2026, supported by sustained private consumption, stable employment conditions and continued public sector investment. The rollout of major infrastructure projects under the 13th Malaysia Plan, coupled with ongoing development expenditure, is expected to stimulate broad-based activity across the construction and industrial sectors. Furthermore, the Government's emphasis on digitalisation, renewable energy and industrial upgrading is poised to create new opportunities for collaboration and growth.

That said, the Group remains mindful of prevailing challenges, including wage pressures and supply chain disruptions. In navigating these conditions, our strategic priorities will continue to centre on prudent financial management, operational excellence and the timely delivery of quality projects that generate sustainable returns.

Backed by a robust order book, a disciplined tendering strategy and a strong industry track record, the Group

enters 2026 with confidence in its ability to seize emerging opportunities while effectively managing external risks. Our steadfast focus on resilience, innovation and long-term value creation will continue to guide decision-making as we position the Group for sustainable growth and stability.

Appreciation

On behalf of the Board, I would like to express my sincere appreciation to our shareholders, employees, partners and customers for their steadfast support throughout the year. Your trust and commitment have been fundamental to Varia's continued success and growth.

During the year, Dato' Kamarulzaman bin Jamil and Dato' Jamaluddin bin Sabeh have stepped down from the Board and we extend our gratitude for their invaluable service and contributions to the Group. At the same time, we are pleased to welcome Lailatul Azma binti Abdullah to the Board, whose expertise and perspectives will further strengthen our governance and leadership moving forward.

To our Board members, the dedicated Varia team and our loyal shareholders, I convey my heartfelt thanks. Every project we undertake stands as a testament to your collective efforts and together we are shaping a sustainable and prosperous future while delivering value for all stakeholders.

Dato' Sri Dr. Mohd Nizom bin Sairi

Independent Non-Executive Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The purpose of this Management Discussion and Analysis (“MD&A”) is to provide a comprehensive evaluation of Varia Berhad (“Varia” or “Group”)’s financial performance and operational results for the financial year ended 30 June 2025 (“FYE2025”). Building on the transformative changes undertaken in the previous period, this report reflects a period of consolidation and growth, underpinned by the Group’s continued focus on construction and property development. This MD&A should be reviewed in conjunction with the Group’s audited annual consolidated financial statements for the same period.



Strategic Transformation and Corporate Milestones

Brand Evolution

The Group continued to build on the positive momentum of its rebranding to Varia, reinforcing the successful transformation initiated in the previous period. With the new corporate identity now well established across the organisation, efforts during the year under review were directed towards deepening the alignment between the refreshed brand and the Group’s long-term strategic objectives.

Throughout FYE2025, brand implementation was further strengthened across all subsidiaries, business units, and stakeholder touchpoints. This process included the standardisation of the Group’s visual identity, the enhancement of corporate communications and the introduction of employee engagement initiatives and internal performance systems designed to reflect the Group’s renewed vision and values.

The strengthened corporate identity has played a vital role in elevating Varia’s market presence and reinforcing stakeholder confidence. Over the course of the year, the rebranding served as a catalyst for stronger engagement with clients, investors, and business partners, particularly within the infrastructure development, construction services, and property development segments. The refreshed brand positioning has also enhanced the Group’s competitiveness in both domestic and regional markets.

In tandem with these efforts, the Group further integrated sustainability considerations into its brand narrative and strategic priorities. ESG principles have become increasingly embedded in governance practices, operational decision-making and disclosure standards, underscoring Varia’s ongoing commitment to responsible growth and long-term value creation.

The continued positive reception from stakeholders throughout FYE2025 reaffirms the effectiveness of the Group’s rebranding strategy. Looking ahead, Varia remains focused on leveraging its strengthened identity to drive innovation, enhance operational resilience, and capture emerging opportunities across its core and adjacent markets.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



Financial Performance Review

The Group delivered a strong financial performance in FYE2025, with revenue increasing to RM546.77 million, more than doubling from RM232.54 million in the extended 15-month period ended 30 June 2024 ("FPE2024"). This growth was achieved despite the shorter reporting period of twelve months.

Profit before tax ("PBT") improved significantly to RM6.19 million, compared to RM1.23 million in FPE2024. The Group also recorded a solid EBITDA of RM35.80 million, reflecting the resilience of its core operations amidst industry challenges.

The performance of subsidiaries is elaborated under the segment analysis, where the construction segment continued to be the main revenue driver, while the property development segment showed encouraging progress from the Taman Arowana Phase 1 development.

Balance Sheet and Liquidity

As of 30 June 2025, the Group's total assets stood at RM734.32 million, an increase of RM83.62 million or 12.85% from RM650.70 million in the previous financial period. This growth was driven by higher operating inflows, additional financing activities, and the expansion of work-in-progress and inventory, reflecting the Group's ongoing business expansion, improved operational performance, and efficient working capital management.

Total equity expanded to RM402.55 million, up 3.81% from RM387.79 million in FPE2024, supported by profit generated during the year and the issuance of additional share capital amounting to RM12.67 million. The Group's net assets per share stood at RM0.93, maintaining a solid equity position underpinned by consistent operational performance. These developments underscore the Group's strong capital foundation and sustained confidence from shareholders.

The year also saw an increase in the Group's current debt position, in line with the expansion of operations and the financing of newly secured projects. Total borrowings rose from RM113.47 million to RM131.99 million, reflecting a measured and strategic approach to leveraging for growth. Total liabilities increased to RM331.76 million compared to RM262.91 million in the prior period, consistent with the overall expansion in assets and the Group's prudent use of financing to support project development and investment opportunities.

Current liquidity improved to RM258.97 million from RM155.69 million in FPE2024, though the current ratio moderated to 1.07 times (FPE2024: 1.19 times) due to higher borrowings to fund business expansion. Nonetheless, the Group's liquidity position remains robust, ensuring adequate resources to meet short-term obligations. Improvements in cash and receivables have provided greater flexibility to fund ongoing operations, fulfil financial commitments and pursue new projects and growth opportunities.

Overall, the Group's financial position at the close of FYE2025 demonstrates resilience, prudent capital management and sustainable growth. With a solid equity base, healthy liquidity and well-managed gearing, the Group remains well-equipped to drive continued expansion and capitalise on emerging opportunities in the coming financial years.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

In addition, on 8 October 2025, the Company lodged the required documentation for its Sukuk Murabahah Programme with the Securities Commission Malaysia under the Lodge and Launch Framework. The programme enables multiple issuances of Islamic Medium Term Notes (IMTNs) with a perpetual tenure and individual maturities ranging from one to thirty years. Proceeds raised under the Sukuk Murabahah will be used to finance capital expenditure, refinance existing debt, support working capital needs, fund project development and acquisitions, and cover associated issuance expenses. Bank Islam Malaysia Berhad serves as the Principal Adviser, Lead Arranger, Lead Manager, Facility Agent, and Shariah Adviser for the programme.

Operational Highlights

In FYE2025, Varia made significant progress on several ongoing projects, demonstrating our commitment to excellence in project delivery. Our approach to project execution has been characterised by strict adherence to timelines and budgets, implementation of stringent quality control measures, and effective management of supply chain and labour challenges. We have also adopted innovative construction techniques to enhance efficiency and overcome site-specific challenges.

Segment Analysis

Construction Segment

The construction segment remained the Group's core revenue generator, contributing RM524.40 million in revenue and RM20.44 million in PBT in FYE2025.

Key contracts progressed during the year included Perkeso Ipoh, Pulau Indah, Puspahanas, Taiga, and UDA-Penang, alongside newly launched projects such as STP-Mak Mandin, RTB-Klang, RTB-Kota Tinggi, RTB-Segamat, and Perkeso Setiu. The commencement of new projects including UPSI, STP-Mak Mandin and the RTB series reflects the Group's ability to secure and execute large-scale projects effectively.



The construction order book as at 30 June 2025 stood at RM2.59 billion, providing strong revenue visibility going into 2026. Projects continued to progress according to schedule, demonstrating Varia's strong project management capabilities.

Property Development Segment

The property development segment recorded RM22.26 million in revenue but registered a loss before tax of RM1.24 million in FYE2025.

The Taman Arowana Phase 1B project, with a Gross Development Value (GDV) of RM34.38 million, contributed a gross profit of RM2.69 million. As at 30 June 2025, 92 out of 106 single-storey units had been sold. During the year, a soft launch of 142 double-storey units was held in July 2025, with show units unveiled, followed by the commencement of construction in October 2025.

Market sentiment in the property sector has shown recovery, with positive buyer response supporting sustained interest in the Taman Arowana development.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Prospects and Strategic Direction

Looking ahead, the Group remains optimistic about its growth prospects, supported by Malaysia's continued economic recovery and strong infrastructure development agenda. The construction sector is expected to gain further traction from renewed public infrastructure spending, increased private sector investments and initiatives under the 13th Malaysia Plan (13MP), particularly in transportation, utilities, industrial developments and sustainable urban projects.

The implementation and revival of major national programmes including transit-oriented developments, road and highway upgrades, water infrastructure projects, affordable housing schemes and renewable energy facilities are expected to generate a robust pipeline of opportunities. Furthermore, the growing emphasis on public-private partnerships, industrialised building systems (IBS) and green construction standards is transforming industry dynamics, favouring companies with strong technical capabilities, operational efficiency and proven execution track records.

Leveraging its established expertise in civil engineering, building works and infrastructure delivery, the Group will continue to pursue quality projects that offer sustainable margins. Improving project execution efficiency, strengthening cost management and optimising supply chain performance will remain key priorities in maintaining competitiveness and ensuring operational excellence.



The Group is also actively exploring opportunities in complementary sectors such as property development partnerships, facilities management, engineering services and specialised construction solutions. This diversification strategy is designed to broaden revenue streams, reduce reliance on traditional contracting activities and position the Group to capture value from emerging growth areas.

This diversification strategy is designed to broaden revenue streams, reduce reliance on traditional contracting activities and position the Group to capture value from emerging growth areas.

In alignment with national sustainability objectives and increasing investor expectations, the Group continues to embed environmental, social and governance (ESG) principles into its operations. These efforts include adopting low-carbon construction practices, enhancing workplace safety and compliance and pursuing projects aligned with sustainable development and green certification standards.

The Group remains firmly committed to disciplined tender participation, prudent balance sheet management, and strategic collaboration with both domestic and regional partners to strengthen its market presence. While challenges such as rising material costs, labour shortages and evolving regulatory requirements persist, the Group believes that its strengthened brand identity, solid reputation and ongoing transformation initiatives place it in a strong position to capitalise on future opportunities.

Barring unforeseen circumstances, the Board is confident that the Group is well-positioned to deliver sustainable long-term value to its stakeholders through disciplined growth, resilient project execution and continued strategic advancement.

PROFILE OF DIRECTORS



DATO' SRI DR. MOHD NIZOM BIN SAIRI

Independent
Non-Executive Chairman

Date of Appointment | 3 October 2024

Nationality



Gender



Age

62

Academic/Professional Qualification

- Adjunct Professor, UNITAR International University
- Honorary Professor, University of Cyberjaya
- Doctor of Philosophy, Swiss School Management
- Master in Information System Management, Lawrence Technological University Michigan, USA
- Bachelor of Science, Laurentian University Ontario, Canada

Board Committees Membership

Nomination and Remuneration Committee (Member)

Board Meeting Attendance

During the financial year ended 30 June 2025, he attended 3 out of 4 Board meetings held since his appointment.

Experiences

Dato' Sri Dr. Mohd Nizom, started his career with the Inland Revenue Board of Malaysia ("IRB") after graduating with a Bachelor of Science degree from Laurentian University, Canada in 1985.

He has a wealth of knowledge on the operations and administration of taxes in Malaysia, having served in IRB for 38 years, rising through the ranks until his last post as the Chief Executive Officer ("CEO")/ Director General ("DG") of IRB in 2021 and subsequently retired in December 2023.

While in IRB, Dato' Sri Dr. Mohd Nizom has served in various senior capacities namely Director of Investigation Department, Director of Malaysia Tax Academy, Deputy CEO (Management) and Deputy CEO (Tax Operations) prior to his appointment as CEO/DG of IRB.

During his tenure as the CEO/DG of IRB, he has represented Malaysia as being the Chairman of the Commonwealth Association of Tax Administrators (CATA) from 2021 to 2024, Head of Executive Council Association of Tax Authorities of Islamic Countries (ATAIC) from 2021 to 2023 and Chairman of the Study Group on Asia-Pacific Tax Administration and Research (SGATAR) from 2022 to 2023.

He also sits on the Board of Jati Tinggi Group Berhad and British American Tobacco (Malaysia) Berhad.

Save as disclosed above, he does not hold any directorships in other public companies and listed issuers.

PROFILE OF DIRECTORS (CONT'D)



DATUK LAU BENG WEI

Executive Deputy Chairman,
Non-Independent Executive Director

Nationality



Gender



Age

59

Date of Appointment | 13 January 2023

Academic/Professional Qualification

- Masters in Business Administration, Universiti Putra Malaysia
- Bachelor of Electrical Engineering, Universiti Teknologi Malaysia

Board Committees Membership

Share Issuance Scheme Committee (Member)

Board Meeting Attendance

During the financial year ended 30 June 2025, he attended 5 out of 5 Board meetings held.

Experiences

Datuk Lau Beng Wei started his career with Tenaga Nasional Berhad ("TNB") where he had held various positions within TNB from 1990 until 2003. Subsequently, he served as an Independent Non-Executive Director of TNB from December 2021 until March 2023.

He has successfully completed over RM1 billion worth of commercial buildings, schools, road construction and government building projects within Malaysia and is currently a director and shareholder of Varia Engineering & Services Sdn Bhd ("VES") where he is responsible for the overall strategic business direction and performance of VES.

Datuk Lau Beng Wei is currently the Chairman of Lembaga Pelesenan Eksais Wilayah Persekutuan Kuala Lumpur, Dewan Bandaraya Kuala Lumpur ("DBKL") and a member of the City Advisory Board, DBKL.

He does not hold directorship in any other public companies and listed issuers.

PROFILE OF DIRECTORS
(CONT'D)



DATUK LAU BENG SIN

Managing Director,
Non-Independent Executive Director

Nationality



Gender



Age

54

Date of Appointment | 9 November 2022

Academic/Professional Qualification

Bachelor in Engineering (Majoring in Civil Engineering), Universiti Teknologi Malaysia

Board Committees Membership

- Sustainability Committee (Chairman)
- Share Issuance Scheme Committee (Member)

Board Meeting Attendance

During the financial year ended 30 June 2025, he attended 5 out of 5 Board meetings held.

Experiences

Datuk Lau Beng Sin is a civil engineer with over 20 years of experience in the construction industry. He is a director of Pembinaan Teguh Maju Sdn Bhd where he is primarily responsible for the development and implementation of project processes ranging from construction, design, purchasing and staff maintenance. He has undertaken various remarkable projects and successfully completed over RM1 billion worth of commercial buildings, schools, road construction and government building projects within Malaysia.

He was awarded with the ASEAN Outstanding Business Award 2024 as the Most Recognised Brand CEO of the Year in Sustainability Development Excellence.

Datuk Lau does not hold directorship in any other public companies and listed issuers.

PROFILE OF DIRECTORS (CONT'D)



DATUK MANIVANNAN A/L GANAPATHY

Executive Director,
Non-Independent Executive Director

Nationality



Gender



Age

60

Date of Appointment | 17 January 2023

Academic/Professional Qualification

Bachelor of Economics (Business Administration),
University of Malaya

Board Committees Membership

- Share Issuance Scheme Committee (Chairman)
- Sustainability Committee (Member)

Board Meeting Attendance

During the financial year ended 30 June 2025, he
attended 5 out of 5 Board meetings held.

Experiences

Datuk Manivannan A/L Ganapathy started his career in the stockbroking industry at TA Securities Sdn Bhd as a management trainee from 1989 to 1990. He then became a remisier in 1990 and continued for a period of 32 years until October 2022.

He has experiences in maintaining and serving the institutional client base as well as a group of high-net-worth individuals. His experiences also include underwriting for initial public offering, arranging financing for public listed companies and handling private placements for substantial blocks of shares.

Datuk Manivannan A/L Ganapathy does not hold any directorships in other public companies and listed issuers.

PROFILE OF DIRECTORS (CONT'D)



DATUK WIRA ROSLAN BIN AB RAHMAN

Non-Independent Non-Executive Director

Nationality



Gender



Age

68

Date of Appointment | 10 May 2023

Academic/Professional Qualification

- BSc in Electrical Engineering, University of Southampton, England
- Ordinary National Diploma in Engineering, Brighton Technical College, England

Board Committees Membership

- Audit Committee (Member)
- Risk Management Committee (Member)

Board Meeting Attendance

During the financial year ended 30 June 2025, he attended 5 out of 5 Board meetings held.

Experiences

Datuk Wira Roslan is an engineer with extensive experience in the electricity supply industry. He started his career with Lembaga Elektrik Negara ("LLN"), now known as Tenaga Nasional Berhad ("TNB"), in 1980 and retired in December 2022. He has served in the several districts throughout Malaysia and was responsible for the planning, construction, operations and maintenance of the distribution network for east of Pahang, which include Temerloh, Maran and Jerantut, which he led the conversion of more than 50 villages from 12 hours diesel supply to 24 hours grid connected

supply under the Rural Electrification Program (Bekalan Elektrik Luar Bandar).

Having served more than 42 years in various management capacities in TNB, he has gained extensive knowledge of the industry, being involved in the transformation and modernisation of TNB. His strength in industrial relations was an asset to the organisation in enhancing work culture and improving harmony with the unions and employees.

His exposure in customer services and commercial aspect of TNB has enabled him to successfully coordinate efforts with Malaysia Investment Development Authority (MIDA) in facilitating the supply of electricity for big investments and Foreign Direct Investment (FDIs), and other important stakeholders such as the Federation of Malaysian Manufacturers (FMM) and Federation of Malaysian Consumers Association (FOMCA). Datuk Wira Roslan was the spokesperson for TNB while serving as the Chief Corporate Officer. His major role was to monitor and advise the CEO and Board of Directors on corporate communication related matters. In the international front, Datuk Wira Roslan represented TNB in various capacities, namely as Country Coordinator in Head of ASEAN Power Utility (HAPUA) and Association of Energy Supply Industry of East Asia and Asia Pacific (AESIEAP).

His last position as the Chief Regulatory and Stakeholder Management Officer saw him working closely with the Ministry of Energy and Natural Resources (KETSA) and Energy Commission (EC) on issues pertaining to energy for the benefit of the country. His service with TNB was extended beyond his retirement age for 6 years, as his services were invaluable to TNB. He brings with him vast knowledge, experience and networking within the industry, which enables him to look after the interest of the various stakeholders.

Datuk Wira Roslan also sits on the Board of Malakoff Corporation Berhad and BM Greentech Berhad.

Save as disclosed above, he does not hold any directorships in other public companies and listed issuers.

PROFILE OF DIRECTORS (CONT'D)



DATUK KOK BOON KIAT

Non-Independent Non-Executive Director

Nationality



Gender



Age

53

Date of Appointment 2 January 2024

Academic/Professional Qualification

Malaysian Certificate of Education (SPM)

Board Committees Membership

- Nomination and Remuneration Committee (Member)
- Share Issuance Scheme Committee (Member)

Board Meeting Attendance

During the financial year ended 30 June 2025, he attended 5 out of 5 Board meetings held.

Experiences

Datuk Kok has over 25 years of experience in the property development industry as well as property construction, consultancy and general management.

He is involved in property development and property investment projects ranging from masterplan townships and integrated developments with residential, retail, commercial and leisure components including sales-planning and strategy-planning as well as overseeing sales activities to drive business performance and achievements further.

Throughout the years, Datuk Kok has managed and completed housing development projects to cater for the affordable housing scheme for lower income group such as Taman Pertama, Cheras, Kuala Lumpur as well as the development of a 2-acre piece of residential land in Sg Besi, Kuala Lumpur to develop 700 units of condominium with a gross development value of RM215 million.

Datuk Kok is involved in the design and build development at Pasar Cheras, Kuala Lumpur, which consists of a temporary market and 702 units of council homes and markets. He is currently the Executive Chairman of GoodGloves Industries Sdn Bhd.

He does not hold directorship in any other public companies and listed issuers.

PROFILE OF DIRECTORS (CONT'D)



SHAHORIZAM BIN A SHUKOR

Senior Independent Non-Executive Director

Nationality



Gender



Age

53

Date of Appointment | 6 May 2019

Academic/Professional Qualification

- Bachelor of Accountancy (Hons), Universiti Putra Malaysia
- Member of the Malaysian Institute of Accountants
- Associate Member of CPA, Australia

Board Committees Membership

- Audit Committee (Chairman)
- Risk Management Committee (Chairman)

Board Meeting Attendance

During the financial year ended 30 June 2025, he attended 5 out of 5 Board meetings held.

Experiences

Encik Shahrizam began his career in 1996 with Coopers & Lybrand (now PricewaterhouseCoopers), focusing on audit and financial assurance. He later joined Azman Wong Salleh & Co., continuing in audit and advisory services until 2002. He subsequently held senior finance roles including Chief Financial Officer at TH Travel & Services Sdn Bhd, Seri Pacific Hotel Corporation Sdn Bhd, and VC Telecoms Sdn Bhd. He is currently the founder and consultant at Shahrizam Shukor & Co., a financial consultancy firm.

With his extensive experience in corporate finance and accounting, he has also served as an Independent Non-Executive Director of Damansara Holdings Berhad from 15 December 2015 until his resignation in 2024, and as a Director of KAF-Seagroatt & Campbell Berhad until 2022. He has been a Director of PDT Technique Sdn Bhd, a subsidiary of Permodalan Darul Ta'zim, since 19 December 2019.

Encik Shahrizam does not hold directorship in any other public companies and listed issuers.

PROFILE OF DIRECTORS (CONT'D)



SHARIFAH RAFIDAH BINTI WAN MANSOR

Independent Non-Executive Director

Nationality



Gender



Age

47

Date of Appointment | 1 March 2022

Academic/Professional Qualification

- Degree (L.L.B) Law, National University of Malaysia
- Licensed Company Secretary issued by Companies Commission of Malaysia

Board Committees Membership

- Nomination and Remuneration Committee (Chairman)
- Sustainability Committee (Member)

Board Meeting Attendance

During the financial year ended 30 June 2025, she attended 5 out of 5 Board meetings held.

Experiences

Puan Sharifah Rafidah has more than 20 years of vast experiences in legal and company secretarial works including litigation, regulatory, compliance and corporate advisory.

She is currently the Managing Director of RS Centre Cube Sdn Bhd, which provides services such as company secretarial, business registration and management, accounting, rental of office space and virtual office and other business related facilities.

Puan Sharifah Rafidah has also ventured into other services including setting up a business incubator for business start-up and providing support services for business development and growth which led to collaborations with the Sarawak State Government for various entrepreneur development programmes.

She was the Associate Director, Legal & Secretarial of TERAJU Bumiputera Corporation from 2013 to 2015.

She is the Company Secretary of Bintulu Port Holdings Berhad, Malaysia Venture Capital Management Berhad, Razak School of Government, Malaysian Institute of Economic Research, TFM Foundation and Cradle Fund Sdn Bhd.

Puan Sharifah Rafidah does not hold directorship in any other public companies and listed issuers.

PROFILE OF DIRECTORS (CONT'D)



LAILATUL AZMA BINTI ABDULLAH

Independent Non-Executive Director

Nationality



Gender



Age

51

Date of Appointment | 31 January 2025

Academic/Professional Qualification

- Master of Science in Information Technology Management in Construction (Distinction), University of Salford, United Kingdom
- Master of Laws (Corporate Governance), University of Law, United Kingdom & The Chartered Governance Institute, United Kingdom & Ireland
- Bachelor of Science in Quantity Surveying (First Class Honours), University of Reading, United Kingdom

Board Committees Membership

- Audit Committee (Member)
- Risk Management Committee (Member)

Board Meeting Attendance

During the financial year ended 30 June 2025, she attended 2 out of 2 Board meetings held since her appointment.

Experiences

Cik Lailatul Azma Abdullah began her career as a Quantity Surveyor at Davis, Langdon & Seah from November 1995 to September 1997, where she was a project quantity surveyor and responsible over management execution on

behalf of the Northern region office for all Central region projects in Malaysia. Subsequently, she joined GCS Engineering Sdn Bhd, a civil infrastructure engineering and project management consultancy company that carried out major civil infrastructure engineering projects, as its Chief Operations Officer and headed amongst others, the Cost and Contracts Department for all major projects in civil infrastructure engineering with an accumulated project value of RM1 billion.

She then joined X-TXT Asia, a mobile telecommunications application and content development company based in Perth, Australia with headquarter in Kuala Lumpur for the ASEAN market. The company was eventually acquired by a venture capitalist from San Francisco, USA. During her tenure in CIMB Group from April 2006 to April 2011, she was responsible for managing matters relating to property development, investment, asset management and fund raising and serving her last position as the Director of Asset Management and member of the Investment Committee, notably managing a fund size of AUD320 million for JV Australian Property Fund CIMB Trust Capital Pte Ltd.

Subsequently, she served as the Head of Branding & Advertising (Destination Resorts & Hotels) from September 2012 to August 2014 as a team leader on all branding and advertising for hospitality products and projects owned by Khazanah Nasional Berhad (Leisure and Tourism) sector, namely The Datai Hotel and Desaru Coast. In addition, she was also a Partnership Director, Specialised Sports Services, responsible for fundraising and acting as a media liaison for partners in Malaysia and United Kingdom, a spin-off from the sports sponsorship portfolio of Air Asia.

Cik Lailatul Azma Abdullah had previously served on the Boards of 2 REIT companies, namely Al-Aqar Healthcare REIT and Al-Salam Real Estate Investment Trust.

She does not hold directorship in any other public companies and listed issuers.

Note:-

- Except for Datuk Lau Beng Wei and Datuk Lau Beng Sin who are siblings, none of the other Directors are related to one another, nor with any major shareholder.
- Except for Datuk Kok Boon Kiat who perceived to have potential conflict of interest with Varia as he is a director and has equity interests in companies where the business activities are property development, similar with one of the subsidiaries of Varia Group, none of the Directors has any conflict of interest or potential conflict of interest including interest in any competing business with Varia or its subsidiaries.
- None of the Directors has any convictions for offences (other than traffic offences) within the past 5 years and have any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT



DATUK LAU BENG WEI

Chief Executive Officer of Mewah Kota Sdn Bhd

Nationality	Gender	Age
		59

Datuk Lau Beng Wei was appointed as the Chief Executive Officer of Mewah Kota Sdn Bhd on 1 September 2025.

Please refer to his profile in the Profile of Directors section of this Annual Report.



DATUK LAU BENG SIN

Chief Executive Officer of Pembinaan Teguh Maju Sdn Bhd

Nationality	Gender	Age
		54

Datuk Lau Beng Sin was appointed as the Chief Executive Officer of Pembinaan Teguh Maju Sdn Bhd on 1 September 2025.

Please refer to his profile in the Profile of Directors section of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)



TEOH BOON KEONG

Chief Operating Officer

Nationality	Gender	Age
		63

Mr. Teoh Boon Keong has been appointed as the Chief Operating Officer ("COO") of Varia Berhad, effective 1 November 2025. He is a highly experienced civil engineer with more than 35 years of experience in the construction industry. Mr. Teoh holds a Bachelor of Science degree in Civil Engineering from the University of Louisiana, United States of America and an MBA obtained through a distance education programme. He is also a registered member of the Board of Engineers Malaysia (BEM).

Mr. Teoh joined Varia Group in November 2022 as a Project Director before his appointment as the COO of Varia Berhad. Prior to joining Varia Group, he served as the General Manager for the Power Plant and Concession division and as the Business Development Director at Vizione Holdings Berhad.

With over 35 years of accumulated experience, Mr. Teoh has developed extensive expertise in the development, planning and execution of large-scale EPCC projects across the African continent and the Middle East. His project portfolio spans various industries including oil and gas, power and water (IPWP) plants and offshore marine works. In addition, he has successfully completed numerous infrastructure and high rise building projects within the local construction sector.

Apart from the above, Mr. Teoh also possesses extensive experience in delivering projects registered with the United States Green Building Council ("USGBC") and those requiring FM Global compliance. Notably, he successfully led the delivery of Malaysia's first LEED (Leadership in Energy and Environmental Design) Platinum certified building, the highest rating under the USGBC certification system.

Mr. Teoh has established a strong reputation for delivering projects successfully while upholding the highest standards of safety, quality and environmental responsibility. He is highly skilled in civil project management, encompassing all phases from development, planning, budgeting, contract and resource management, to project administration and construction, ensuring completion within defined time, quality and cost parameters.

He does not hold any directorship in public companies and listed issuers.



RAIZITA BINTI AHMAD @ HARUN

Chief Financial Officer

Nationality	Gender	Age
		57

Puan Raizita was re-designated as the Chief Financial Officer of Varia Group on 30 January 2019. She was the Executive Director of Varia from 1 September 2015 until 30 January 2019. Prior to her appointment as Executive Director, she was the Senior General Manager of Finance and Accounts Division, responsible for the overall financial management for the Group.

She graduated with Bachelor of Science in Administration (Accountancy) from California State University, Sacramento in 1990.

As the Chief Financial Officer of Varia Group, she leads the financial strategy, governance and performance optimisation efforts with precision and foresight. With a deep-rooted commitment to financial integrity and strategic impact, Puan Raizita plays a central role in steering Varia Group toward sustainable growth and long-term value creation.

Puan Raizita oversees all facets of financial planning and analysis, capital management, investor relations and regulatory compliance. She brings a strategic lens to financial leadership, helping Varia Group aligns its business goals with robust fiscal discipline and operational agility.

Her career is marked by a track record of transforming complex financial landscapes into structured, data-driven strategies that empower better decision-making across the organisation. She is particularly skilled at navigating high-growth environments, leading cross-functional teams through change and building resilient financial systems.

With a collaborative and people-oriented approach, Puan Raizita is a trusted advisor to the Group and Board of Directors, supporting innovation while maintaining a strong focus on risk management. Her leadership combines clear analytical thinking with thoughtful communication, earning her the trust and respect of colleagues across the organisation.

She does not hold any directorship in public companies and listed issuers.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)



DATUK DENNIS KOAY XING BOON

Chief Strategy/Investment Officer

Nationality	Gender	Age
		43

Datuk Dennis Koay was appointed as the Chief Strategy/Investment Officer of Varia Group on 1 September 2024. He graduated with a Bachelor in Law, LLB (Second Upper Honors), University of Northumbria, United Kingdom.

He is a self-made entrepreneur who started his career in property investment in 2005. His entrepreneurial journey led him into consulting services for project development and government relations.

Datuk Dennis Koay is the co-founder and owner of THB Power Sdn Bhd, which is part of the THB Group of Companies involving in construction, infrastructure, roadwork maintenance and energy sector and also sits on the Board of Technodex Berhad, an ICT company listed on Bursa Malaysia ACE Market which is principally involved in government IT infrastructure projects and communication technologies.

Save as disclosed above, he does not hold any directorships in other public companies and listed issuers.



TRACY TANG LAI SUM

Chief Executive Officer of Varia Land Sdn Bhd
(formerly known as Paramount Ventures Sdn Bhd)

Nationality	Gender	Age
		40

Ms. Tracy Tang joined Varia Group as Chief Executive Officer of Varia Land Sdn Bhd (formerly known as Paramount Ventures Sdn Bhd) ("VLSB") on 27 May 2024, where she is responsible for the management of all projects and operations of VLSB.

She is a Chartered Accountant by profession, graduated with a Bachelor of Commerce (Accounting & Marketing) from Curtin University of Technology, Australia in 2006. She also holds the status of CPA, conferred by CPA Australia and is a registered accountant as well as a Chartered Accountant in Malaysia.

Ms. Tracy Tang has more than 17 years of experience, specialising in property development, construction and auditing encompassing 9 years in managerial roles and 4 years as Chief Financial Officer within top management. Throughout her tenure as Chief Financial Officer, she adeptly directs company strategies and makes substantial contributions to Human Resources, Legal and Operational facets.

She does not hold any directorship in public companies and listed issuers.

PROFILE OF KEY SENIOR MANAGEMENT
(CONT'D)



JACQUELINE YONG CHU LAN

Chief Contract Officer of Mewah Kota Sdn Bhd

Nationality	Gender	Age
		54

Ms. Jacqueline Yong was appointed as the Chief Contract Officer of Mewah Kota Sdn Bhd on 1 August 2025. Prior to this appointment, she served as the Senior General Manager of the Contract Department.

She holds a Certificate in Technology (Architecture) from Tunku Abdul Rahman University of Management and Technology, formerly Tunku Abdul Rahman College, and brings over 33 years of experience in building, infrastructure and civil engineering with specialised expertise in water works construction.

In her role as Senior General Manager, Ms. Jacqueline Yong was responsible for leading and overseeing all contractual aspects of construction projects. She spearheaded the development and implementation of comprehensive contract management strategies aligned with corporate objectives, ensured standardised procedures and best practices were applied across all projects.

Ms. Jacqueline Yong oversees the full contract lifecycle of construction projects, from bid preparation to dispute resolution. She led pre-contract activities including bid strategy, tender review and proposal coordination, ensuring compliance and accuracy. Following contract awards, she directed contract administration, managing variations, extensions of time and claims and ensure close monitoring of project performance. She also negotiated and resolved disputes involving delays, costs and scope changes, representing the company in arbitration, mediation and litigation when necessary.

Beyond her technical responsibilities, Ms. Jacqueline Yong led a multidisciplinary team of contract administrators, quantity surveyors and legal professionals. She fostered strong collaboration with internal departments and external stakeholders, while keeping executive leadership informed on contractual risks, compliance matters and financial exposure.

She does not hold any directorship in public companies and listed issuers.



TAN PENG LONG

Chief Technical Officer of Pembinaan Teguh Maju Sdn Bhd

Nationality	Gender	Age
		49

Mr. Tan Peng Long joined Varia Group as the Chief Technical Officer of Pembinaan Teguh Maju Sdn Bhd on 18 August 2025, where he is responsible for all technical matters as well as project implementation.

He holds a Master of Business Administration and a Bachelor of Civil Engineering from University of Malaya. Mr. Tan is a seasoned business leader with over two decades of progressive experience in the construction and engineering sector, specialising in corporate leadership, operational excellence and large-scale project delivery. He has served as the Chief Executive Officer of Kayangan Kemas Sdn Bhd, a subsidiary of Chin Hin Group Berhad, where he was instrumental in driving the company's strategic transformation, corporate growth and organisational capability building.

Throughout his career in Gadang Engineering (M) Sdn Bhd, a major subsidiary of Gadang Holdings Berhad, Mr. Tan has held several senior leadership roles, with his last position being that of Executive Director, where he successfully directed several work packages in the Petronas Refinery and Petrochemical Integrated Development (RAPID) project valued at more than RM1.3 billion.

Mr. Tan's expertise spans corporate strategy formulation, project governance, financial stewardship, procurement management and operational digitalisation. With extensive experience managing high-impact infrastructure and energy projects, he has built a reputation for aligning operational strategies with business goals, ensuring effective resource allocation and delivering projects within budget and timeline.

He does not hold any directorship in public companies and listed issuers.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

Note:-

Save as disclosed, none of the Key Senior Management:

- (i) has any family relationship with any Director and/or major shareholder of Varia;
- (ii) has any conflict of interest or potential conflict of interest including interest in any competing business with Varia or its subsidiaries; and
- (iii) has any convictions for offences (other than traffic offences) within the past 5 years and has any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

Varia Berhad (also referred to as “Varia” or “Group”) is proud to present our Annual Sustainability Statement (“SS2025”) for the financial year ended 30 June 2025 (“FYE2025”). This report outlines our approach to sustainability, focusing on the management of material matters relevant to our operations. It provides an overview of our performance and the initiatives undertaken during the reporting period, while also highlighting our ongoing efforts to enhance our sustainability management.

The previous reporting period ended 30 June 2024 covered a 15-month financial period (“FPE2024”). Comparisons with the current 12-month financial year, FYE2025, therefore have been made with consideration of this difference in reporting duration. While absolute figures may vary due to the extended period in FPE2024, trends and key performance indicators can still be effectively evaluated to provide meaningful insights into the Group’s performance and progress over time.

This report contains forward-looking statements, and readers should note that information in the SS2025 regarding future plans, targets and expectations is based on reasonable assumptions aligned with the current business outlook. Actual results may vary as the Group adjusts its strategies and operations in response to evolving risks, opportunities and circumstances.

REPORTING FRAMEWORKS AND STANDARDS

This SS2025 has been developed according to Practice Note 9A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), with reference to Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition).

SCOPE AND BASIS OF SCOPE

All information disclosed in this SS2025 are for the reporting period between 1 July 2024 to 30 June 2025, unless stated otherwise. The statement’s scope includes the holding Group, Varia Berhad, as well as business operations of three (3) business entities within our Group, namely Pembinaan Teguh Maju Sdn Bhd, Mewah Kota Sdn Bhd, and Varia Land Sdn Bhd (formerly known as Paramount Ventures Sdn Bhd).

REPORT AVAILABILITY AND FEEDBACK

The SS2025 is available for download on Varia’s corporate website at www.varia.com.my as part of the Annual Report 2025.

We welcome stakeholders’ feedback on the SS2025 as part of our ongoing efforts to enhance our sustainability reporting and practices. Any comments may be submitted through our website at www.varia.com.my.



*Selangor FC Partners
Presentation*



Golf Charity Event



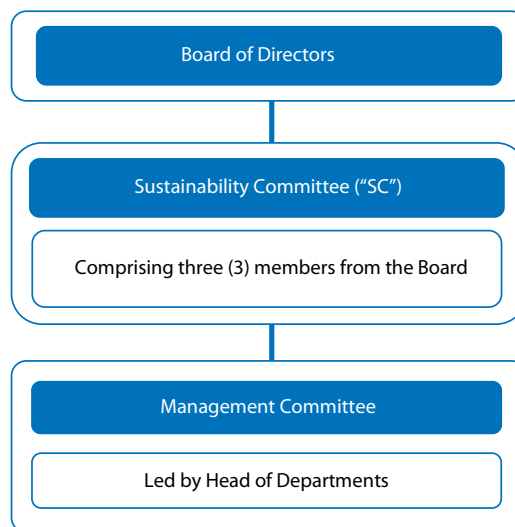
*Board of Directors’
Meeting*

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

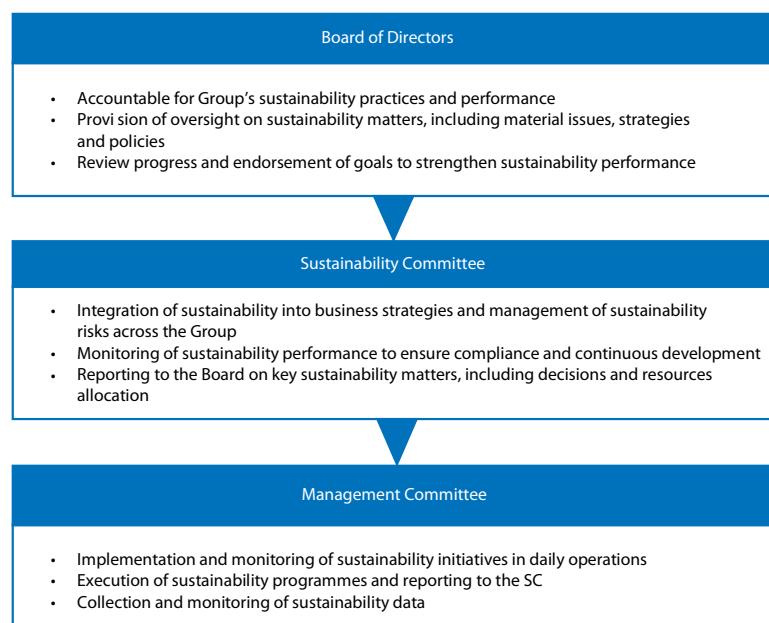
Sustainability governance plays a vital role in the organisation's continued efforts to manage issues linked to sustainability. It helps keep the organisation accountable and steers the way sustainability is built into our daily activities and decisions.

The governance structure for sustainability remains consistent with the previous period, providing continuity in oversight and decision-making. This stability allows the organisation to build on established processes and ensure that sustainability considerations continue to be integrated effectively across our operations.



DAY-TO-DAY IMPLEMENTATION OF SUSTAINABILITY MATTERS

The roles and responsibilities for the Board and Committees involved in the management of the Group's sustainability matters are outlined as follows:



SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

Effective communication is essential to building trust and fostering long-term relationships. We maintain regular engagement through various formal and informal channels to ensure transparency, gather feedback and address key concerns.

Varia engages a broad spectrum of stakeholders, including investors, customers, suppliers, employees, government agencies and local communities impacted by our operations.

The following table outlines our engagement approach and key areas of interest during the year:

Stakeholders	Method of Engagement	Frequency of Engagement	Areas of Concern/Interest
Project Clients	Correspondences	Periodically	- Project quality - On-time delivery - Client support
	Site visits	Periodically	
	Meetings	Periodically	
	Corporate website	Ad-hoc	
Employees	Performance appraisal	Annually	- Welfare and benefits - Skills enhancement - Performance rewards and recognition - Occupational health and safety - Conducive workplace - Career growth and stability
	Internal communications	Periodically	
	Staff and management meetings	Ad-hoc	
	Feedback sessions	Ad-hoc	
	Sports club activities	Periodically	
	Training and development programmes	Periodically	
Shareholders and Investors	Corporate communications	Periodically	- Financial performance and sustainable growth - Corporate governance and public perception - Shareholder value - Legal compliance
	Quarterly updates	Quarterly	
	Corporate website	Ad-hoc	
	General meetings	Annually	
	Annual report	Annually	
Contractors, Suppliers and Consultants	Meetings and interactions	Periodically	- Operational reliability and continuity - Ethical procurement and business practices - Timely payment and transparent tender processes - Regulatory compliance - Punctual and quality deliveries
	Written communications	Ad-hoc	
	Assessments and evaluations	Periodically	
	Site visits	Periodically	
Regulatory Authorities	Statutory reporting	Ad-hoc	- Eco-friendly development - Regulatory compliance
	Audits and inspections	Ad-hoc	
	Meetings and consultations	Ad-hoc	
	Written correspondences	Ad-hoc	
Communities	Community engagement events	Periodically	- Community welfare and employment opportunities - Environmental impact and sustainability initiatives - Health and safety
	Donations and sponsorships	Periodically	
	Internship opportunities	Ad-hoc	

SUSTAINABILITY STATEMENT (CONT'D)

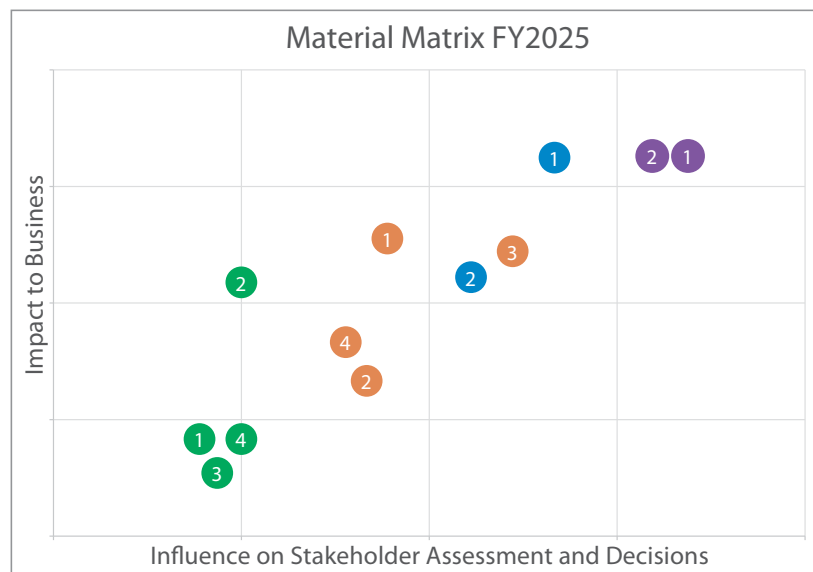
MATERIALITY ASSESSMENT

The Group continues to adopt the twelve (12) material topics identified during the previous financial period 2024 within the four (4) sustainability pillars of Economic, Environmental, Social and Governance. These topics remain central to our sustainability focus areas, serving as a foundation for managing the most relevant issues to both the Group and our stakeholders.

To ensure that these topics remain relevant to us, a reassessment exercise was undertaken during the year. This exercise was designed to review the prioritisation of the existing material topics, reflecting changes in the business environment, stakeholder expectations, and emerging sustainability considerations.

Selected key management members were invited to participate in a survey to seek their perspectives on the relative importance of each material topic. This process enabled us to revisit the prioritisation of the topics and ensure that management's insights are duly incorporated.

With the survey results, an updated materiality matrix was developed to reflect the current positioning of the material topics. The updated matrix was subsequently presented to the Board for validation.



Economic	Environment	Social	Governance
1. Economic Performance 2. Supply Chain Control	1. Energy 2. Climate Change¹ 3. Water Management 4. Waste & Effluents	1. Labour Practices & Standards 2. Diversity & Equal Opportunity 3. Occupational Health & Safety 4. Community Engagement	1. Corporate Governance & Ethics 2. Data Privacy

Notes: The Material Topic 'GHG Emissions' have been amended to 'Climate Change' this year.

SUSTAINABILITY STATEMENT (CONT'D)

STRATEGIC MANAGEMENT OF SUSTAINABILITY MATTERS

The Group continues to monitor both existing and emerging sustainability risks that may affect our operations, value chain, and stakeholders. This ongoing process enhances our sustainability oversight by enabling timely and informed responses through the implementation of appropriate mitigation measures. The table below highlights the potential key risks and opportunities linked to our material sustainability matters, organised under the four (4) sustainability pillars.

Material Sustainability Matters		Potential Risks	Potential Opportunities	Impact on Varia
Economic	Economic Performance	- Reliance on traditional, resource-intensive methods can lead to increased operational costs due to rising material and energy prices. - Poor financial management of ESG (Environmental, Social, and Governance) factors can result in reputational damage, lower investor confidence, and difficulty securing green financing. - Lack of a solid sustainability strategy can also make the company less competitive for government tenders that prioritise ESG criteria.	- Investing in sustainable practices can lead to long-term cost savings through improved resource efficiency, particularly in energy and water usage. - The growing demand for green buildings and infrastructure projects in Malaysia presents a new market segment and a competitive advantage. - Adopting sustainable practices can also attract green investments and funding as well as improve brand reputation, making the company more appealing to clients and stakeholders.	A positive impact on Varia's bottom line from a reduction in operational costs. It can lead to enhanced brand value and a better position in the market. Conversely, failure to adapt can lead to project failures, cost overruns and a decline in market share.

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters		Potential Risks	Potential Opportunities	Impact on Varia
Economic	Supply Chain Control	- Disruptions in the supply chain due to natural disasters or changes in regulations, resulting in delivery delays and reduced customer satisfaction. - Higher expenses incurred to comply with ethical and sustainable requirements. - Sourcing materials from suppliers with poor sustainability and ethical practices can expose the Group to legal, reputational and financial risks. - A lack of transparency can lead to unforeseen issues such as using illegally sourced materials from conflict zones, which can halt projects and damage public trust.	- Implementing a green supply chain management system allows us to partner with suppliers who provide sustainable, recycled, or locally sourced materials. This can not only reduce environmental impact but also improve supply chain resilience and lower transportation costs. - Expanding current pool of suppliers.	Better control over the supply chain leads to a reduction in project risks and improved efficiency. It also enhances the Group's ethical standing and ensures compliance with global and national standards.
	Climate Change	- Physical risks from climate change, such as frequent floods and extreme weather events can cause project delays, on-site damage, and increased insurance premiums. - Transition risks, such as new carbon taxes or stricter government regulations, could significantly raise project costs if we rely on high-carbon materials and energy.	- We can develop expertise in climate-resilient design and construction, offering solutions that withstand changing weather patterns. - Opportunities exist in retrofitting existing buildings to be more energy-efficient and in constructing low-carbon buildings using innovative materials and technologies.	Proactive climate adaptation makes our projects more durable and valuable, while also future-proofing the business. It allows us to be a leader in sustainable construction and aligns us with national climate goals.

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters		Potential Risks	Potential Opportunities	Impact on Varia
Environmental	Energy Management	• High energy consumption on-site and in completed buildings leads to substantial operational costs. • Over-reliance on fossil fuels for energy generation also exposes to fluctuating energy prices and future carbon taxes.	• Implementing energy-efficient technologies on construction sites (e.g., using renewable energy sources for site offices) and in the buildings we construct (e.g., solar panels, energy-efficient lighting and HVAC systems). This is an opportunity to get certified under the Green Building Index (GBI) and Net Energy Metering programmes in Malaysia, which can be a key selling point for clients.	• It leads to significant long-term cost savings for both the Group and the end-users of the building. It also reduces our carbon footprint and contributes to Malaysia's renewable energy targets.
	Water Management	• Inefficient water use on construction sites can lead to high costs and potential water supply disruptions, especially in areas facing water scarcity. Improper management of rainwater run off can cause flooding and soil erosion, leading to regulatory fines.	• We can implement rainwater harvesting systems on our sites for non-potable uses. Using water-efficient fixtures and fittings in the buildings we construct creates added value. • We can also explore recycling and reusing water on-site to minimise consumption.	• Proper water management reduces operational costs, mitigates environmental damage and improves the company's reputation as a responsible corporate citizen.

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters		Potential Risks	Potential Opportunities	Impact on Varia
Environmental	Waste & Effluents	Poor waste management leads to inefficient material use, high disposal costs and environmental pollution. Illegal dumping of waste or improper handling of scheduled waste can result in hefty fines and criminal charges under the Environmental Quality Act 1974.	Adopting a circular economy model by reusing and recycling construction and demolition waste. This includes crushing concrete for use as aggregate and repurposing steel and wood. We can also partner with licensed waste management companies to ensure proper disposal of scheduled waste.	It reduces our environmental footprint, generates potential revenue from waste materials and enhances operational efficiency by minimising waste. It also ensures full compliance with the Malaysian environmental regulations.
	Labour Practices & Standards	Unfair labour practices, such as low wages, long working hours or poor working conditions can lead to labour disputes, strikes and a high turnover rate. This can disrupt projects, increase recruitment costs and tarnish our reputation. It also violates national labour laws and international standards.	We can attract and retain skilled talent by providing fair wages, benefits and professional development. Adopting ethical labour practices also strengthens our reputation and builds a more productive and loyal workforce.	A positive impact on worker morale, productivity and project quality. It also ensures legal compliance and prevents potential reputational damage.
Social	Diversity & Equal Opportunity	A lack of diversity can limit innovation and problem-solving, as it narrows the range of perspectives. It can also lead to a homogenous work environment and difficulty attracting talent from diverse backgrounds.	By promoting diversity and equal opportunity, we can tap into a broader talent pool, from both local and foreign workers. A diverse team can bring fresh perspectives, new skills and a deeper understanding of various client needs.	It leads to a more inclusive and innovative workplace culture. It also enhances our reputation as an equitable employer, making it easier to attract top talent.

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters		Potential Risks	Potential Opportunities	Impact on Varia
Social	Occupational Health and Safety ("OSH")	Construction sites are inherently dangerous. In Malaysia, the construction industry has one of the highest rates of accidents and fatalities. Neglecting OSH protocols can lead to serious injuries or deaths, resulting in legal action, heavy fines and project shutdowns by regulatory bodies like the Department of Occupational Safety and Health (DOSH).	By prioritising OSH, we can significantly reduce the risk of accidents, which in turn leads to fewer project delays and lower insurance costs. Implementing robust safety training, using modern protective equipment, and adhering to strict protocols also boosts worker morale and productivity.	A strong OSH culture protects our most valuable asset—our people. It ensures compliance with the Occupational Safety and Health Act 1994, improves our corporate image and ultimately enhances our long-term financial stability.
	Community Engagement	Failure to engage with local communities can lead to opposition to projects, protests and a negative public image. Local communities may raise concerns about noise, dust, traffic and environmental impact, which can cause significant delays.	Proactive community engagement builds trust and can turn potential opposition into local support. We can create positive relationships by addressing community concerns, employing local labour and supporting local businesses.	It creates a more favourable operating environment and can facilitate the project approval process. It also strengthens our social licence to operate and contributes to the well-being of the communities in which we work.

SUSTAINABILITY STATEMENT (CONT'D)

Material Sustainability Matters		Potential Risks	Potential Opportunities	Impact on Varia
Governance	Corporate Governance & Ethics	Weak governance can lead to corruption, financial mismanagement and illegal activities. Unethical behaviour, such as bribery or bid-rigging, can result in severe legal penalties, debarment from future projects, and irreparable damage to the company's reputation.	Implementing a robust governance framework and a strong ethical code can ensure transparency and accountability across all our operations. This can build trust with investors, clients and the public, leading to more business opportunities.	It provides a strong foundation for sustainable growth and long-term success. It protects the Group from legal and financial risks while enhancing its credibility in the market.
Governance	Data Privacy	Handling sensitive personal data without proper security measures can lead to data breaches, which can result in legal action and hefty fines under the Personal Data Protection Act (PDPA) 2010, and a loss of client trust.	Implementing strong data security and privacy protocols ensures the protection of all sensitive information, from employee data to client project details. We can use this as a competitive advantage to demonstrate our commitment to trust and security.	A robust data privacy policy protects the Group from legal repercussions and enhances our reputation as a trustworthy partner. It also fosters a culture of responsibility in handling information.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

Business continuity is central to how we operate in an increasingly complex and competitive industry. Our long-term economic performance is reinforced by effective cost management, efficient project delivery, resilient supply chain management and strong stakeholder relationships, all underpinned by strict adherence to quality and safety standards. By embedding ethical and robust practices across our operations and value chain, we aim to contribute to a more sustainable built environment while creating lasting value for our organisation and the communities we help to develop.

ECONOMIC PERFORMANCE

Why is it important to us

Being in a strong economic position enables the Group to remain competitive in the construction industry while creating the capacity to invest in innovative and green solutions. This allows us to deliver distinctive value to stakeholders, setting us apart in the market and supporting the transition towards a more sustainable built environment.

Our progress so far

The Group places strong emphasis on driving revenue growth, strengthening margins and ensuring effective cost management as the cornerstone of its strategy. Sustained profitability is essential to maintaining our market competitiveness and delivering tangible value to stakeholders. Alongside this focus, the Group is also exploring innovative and green business opportunities that can enhance long-term growth prospects and complement its core construction activities.

Customer satisfaction is a key priority for the Group and is embedded into the way we manage our projects. Open and transparent communication with clients is maintained at every stage through regular meetings, site visits and progress updates to ensure that project requirements are clearly understood and effectively delivered. This approach supports alignment of expectations, facilitates timely resolution of issues and reinforces confidence in the quality of the project outcome. By delivering projects on schedule, managing costs effectively and upholding high standards, the Group continues to strengthen its client relationships and maintain its reputation for reliability and excellence.

SUPPLY CHAIN CONTROL

Why is it important to us

A reliable supply chain drives the Group's construction activities by ensuring responsible sourcing with a focus on quality and compliance. Greater visibility across the supply network allows us to coordinate effectively with suppliers and contractors, manage resources efficiently and minimise the risk of project delays.

Our progress so far

We place a strong emphasis on excellence in procurement as a cornerstone of our construction activities. A key achievement during the year was the continued certification of ISO 9001:2015 for our Quality Management System, reaffirming our commitment to ensuring that all material and service acquisitions consistently meet specified requirements and industry standards. This certification reflects the Group's dedication to maintaining robust processes that safeguard quality across every stage of procurement.

In line with our focus on supporting the domestic economy, the Group has maintained 100% local procurement in recent years. This approach not only strengthens relationships with local suppliers and contractors but also contributes to the growth of local industries while ensuring efficiency and reliability in our supply chain.

FYE2023	FYE2024	FYE2025
100%	100%	100%
Proportion of spending on local suppliers		

SUSTAINABILITY STATEMENT (CONT'D)

To sustain a high level of performance, we maintain a carefully developed list of approved suppliers and subcontractors. Guided by established standard operating procedures, our procurement department ensures fairness and transparency by conducting comprehensive evaluations of these suppliers and subcontractors, encompassing quality, supply specifications, pricing and delivery excellence. By adhering to these rigorous procurement practices and cultivating strong partnerships with suppliers and subcontractors, the Group continues to maintain the highest standards of quality and reliability across its construction activities.

IMT-GT Regional Business Excellence Award 2025 – Infrastructure and Connectivity Award



ENVIRONMENTAL

As environmental considerations become increasingly important to long-term business resilience, the Group recognises that efficient use of energy and water, effective waste management and the reduction of greenhouse gas emissions are not only vital to minimising environmental impact but also to controlling costs, meeting regulatory requirements and maintaining competitiveness.

ENERGY

Why is it important to us

Energy management is an important aspect of our environmental initiatives, particularly in relation to operational sites and construction activities. By prioritising efficiency measures in our machinery and equipment use as well as overall site practices, we aim to reduce our carbon footprint and control operating costs. The initiatives undertaken in this area support our long-term sustainability goals and reinforce the resilience of our operations.

Our progress so far

Electricity remains the primary energy source for our offices, project sites and supporting facilities. We recognise that efficient energy use is not only central to reducing environmental impact but also to strengthening the sustainability of our business growth. As such, we continue to implement measures that optimise energy consumption, ensuring resources are used responsibly while maintaining operational excellence.

We place strong emphasis on energy efficiency across our day-to-day activities and this includes the use of well-maintained and energy-efficient equipment and machinery as well as the adoption of energy-saving practices at our project sites and offices. These ongoing efforts reflect our commitment to reducing unnecessary consumption, improving cost efficiency and supporting the broader transition towards more sustainable operations.

SUSTAINABILITY STATEMENT (CONT'D)

Energy Source	Unit	FYE2023	FPE2024	FYE2025
Electricity	kWh	457,424	504,475	721,658

FYE2025
2,597.97
Total Energy Consumption (GJ)

Note: Total energy consumption is calculated based on unit conversion of total electricity consumption (1MWh = 3.6GJ).

CLIMATE CHANGE

Why is it important to us

Climate change presents growing risks for businesses, particularly for us where our operational activities significantly contribute to greenhouse gas ("GHG") emissions. Recognising this, we look forward to exploring ways to limit emissions from our sites and equipment, aiming to lessen our environmental impact while staying competitive in an industry where sustainability expectations are rising. Taking proactive steps in this area is important to strengthen our market position and to align the Group with transitioning towards a low-carbon future.

Our progress so far

For Varia, our GHG emissions arise from the following sources:

- Scope 1: Direct emissions from fuel use of machinery and equipment at project sites
- Scope 2: Indirect emissions from electricity consumption at our offices and project sites
- Scope 3: Other indirect emissions, including employee commuting and business travel

Understanding and managing these emissions are becoming increasingly important as we work to align our operations with global climate change objectives and industry expectations. We recognise that monitoring these impacts allows us not only to address environmental concerns but also to identify opportunities for greater efficiency across our operations.

We are continuing to analyse our emissions profile in greater detail, with further studies underway to refine our understanding of Scope 1 and Scope 3 contributions. These efforts will help us identify priority areas for improvement and guide the development of more effective measures to manage and gradually reduce our emissions over time.

GHG Emissions	Unit	FYE2023	FPE2024	FYE2025
Scope 2	tCO ₂ e	356.79	393.49	558.56

SUSTAINABILITY STATEMENT (CONT'D)

WATER MANAGEMENT

Why is it important to us

Across our operations, water is not only a vital input but also a factor that influences efficiency, cost management and environmental performance. We recognise that poor water practices can lead to higher operating costs and negative environmental impacts. Hence, by strengthening how we monitor and manage water usage, we aim to reduce unnecessary expenditure and contribute to more sustainable operations overall.

Our progress so far

FYE2023	FPE2024	FYE2025
1.29	16.85	40.53
Total Water Consumption (Megalitres)		

Water use has a direct impact on both cost savings and operational efficiency, particularly as rising tariffs and potential shortages can increase overall expenses. For this reason, the Group places emphasis on managing water consumption responsibly across our facilities to ensure resources are used

effectively while keeping costs under control. In line with strengthening our sustainability practices, we are also in the process of collecting additional data to include water intensity metrics, enabling a more comprehensive assessment of our usage patterns and identifying opportunities for further efficiency improvements.

WASTE & EFFLUENTS

Why is it important to us

For Varia, waste management plays an important role in our efforts to minimise environmental impacts while ensuring compliance with relevant regulatory requirements. Recycling metal scraps from our sites helps to reduce the need for raw material extraction and lower disposal volumes; whereas ongoing compliance in managing scheduled wastes plays a role in ensuring hazardous by-products from our operations are handled responsibly, protecting the well-being of surrounding communities.

Our progress so far

FYE2025
20.02
Amount of Metal Scrap Recycled (Metric Tonnes)

Waste disposal is an area where we continue to refine our practices to ensure both environmental responsibility and regulatory compliance. Recyclable materials, particularly metal scrap generated from construction activities, are channelled to third-party recycling companies.

FYE2025
102.46
Amount of Hazardous Waste Disposed (Metric Tonnes)

For hazardous waste, such as metal sludge, we place strong emphasis on ensuring proper and compliant handling. These materials are sent to waste treatment centres approved by the Department of Environment ("DOE"), where they undergo processing in accordance with strict regulatory standards.

In line with strengthening our sustainability practices, we have also begun systematically tracking waste disposal data. This helps strengthen accountability and transparency in our waste management reporting and ensures that we remain prepared for evolving regulatory requirements and able to demonstrate compliance with environmental standards.

Note: Hazardous waste here refers to scheduled waste that has hazardous characteristics that have the potential to negatively impact the public and the environment as denoted by DOE.

SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL

Our commitment to people and communities is grounded in respecting labour and human rights, ensuring a safe and healthy workplace and contributing meaningfully to the communities around us. These elements are interconnected, each reinforcing the other to foster a supportive environment that not only benefits our workforce but also strengthens our relationship with the wider community.

LABOUR PRACTICES & STANDARDS

Why is it important to us

Labour and human rights stand at the heart of our social agenda, shaping policies and practices that safeguard our workforce and promote a constructive workplace culture. By emphasising employee wellbeing, we cultivate an environment where inclusivity and collaboration can thrive. Upholding dignity and fairness not only reinforces trust across all levels of the organisation but also strengthens our long-term competitiveness by retaining skilled professionals and appealing to new talent.

Our progress so far

Employee Wellbeing

We recognise dignity, fairness and respect as fundamental principles that guide our workplace practices. Our commitment extends to providing fair and sustainable wages, ensuring safe and inclusive working conditions and upholding the rights of all employees. These efforts foster an environment built on trust, equity and mutual respect.

To reinforce the commitments mentioned, we align our practices with the Employment Act Amendment 2022 and the Minimum Wages Order 2022. These regulations serve as key guidance in strengthening labour protections and explicitly prohibit child labour, forced labour and modern slavery, ensuring our operations remain compliant with national standards while upholding ethical business conduct.

Prohibition of Forced Labour	Prohibition of Child Labour	Prohibition of Harassment
Adherence to Minimum Wages	Commitment to Balanced Working Hours	Adherence to Overtime Laws

FYE2025
0
Number of substantiated complaints concerning human rights violations

With the guidance of our Anti-Discrimination & Harassment Policy and Child Labour & Forced Labour Policy, we are pleased to report that no human rights violations were recorded during the year.

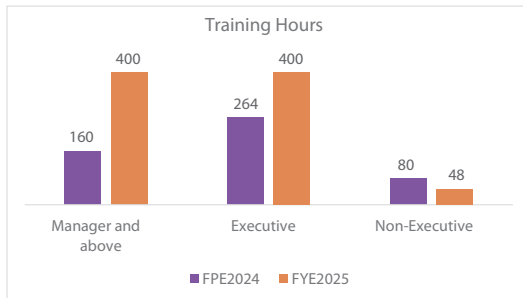
As part of our continued commitment to caring for the families of our late team members, the Group extended Hari Raya assistance this year to the spouse and children of one of our colleagues. This gesture is a reflection of our gratitude for the years of service and a way of honouring the lasting contributions made to Varia, in hopes that it will bring a small degree of comfort to the family.



Welfare Support

SUSTAINABILITY STATEMENT (CONT'D)

Employee Learning and Development



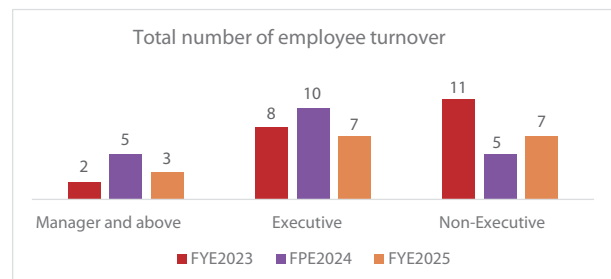
Developing talent is fundamental to our growth and shared success. Through continuous investment in training, we provide employees with the knowledge and skills needed to excel in their roles and realise their potential. We actively encourage participation in programmes tailored to job requirements, ensuring core competencies are upheld while creating avenues for professional advancement. In FYE2025, a total of 385 training hours were delivered across the Group, reflecting an increase in this metric compared to the previous period.

Note: Figures for FPE2024 have been restated.

Talent Attraction and Retention

Retaining skilled employees is essential to sustaining our long-term growth and organisational stability. We focus on creating a workplace where people feel valued, supported and motivated to remain with the Group. Competitive benefits, opportunities for professional development and a positive working environment all play a role in fostering loyalty and ensuring that our employees continue to grow alongside the Group.

For FYE2025, employee turnover was recorded at its lowest level in the past three years, a testament to our efforts in fostering a conducive and supportive working environment.



Note: Figures for FPE2024 have been restated.

Employee engagement is an area we continue to place emphasis on, recognising its role in strengthening retention and fostering loyalty within the organisation. Beyond professional development, we believe that a workplace should also be enjoyable and rewarding. With this in mind, we organise activities that encourage collaboration, build camaraderie and celebrate achievements, ensuring our people experience a positive and fulfilling work environment.

Chinese New Year Celebrations 2025



SUSTAINABILITY STATEMENT (CONT'D)

Hari Raya Aidilfitri Celebrations 2025



Durian Feast 2025



Bowling Tournament 2025



At the same time, we recognise that attracting new talent is key to maintaining a dynamic and innovative workforce. By positioning ourselves as an employer of choice, we aim to draw individuals who share our values and can contribute fresh perspectives to our operations. Our emphasis on career development, inclusivity and sustainable practices strengthens our appeal to potential recruits, allowing us to build a strong pipeline of talent for the future.

SUSTAINABILITY STATEMENT (CONT'D)

DIVERSITY & EQUAL OPPORTUNITY

Why is it important to us

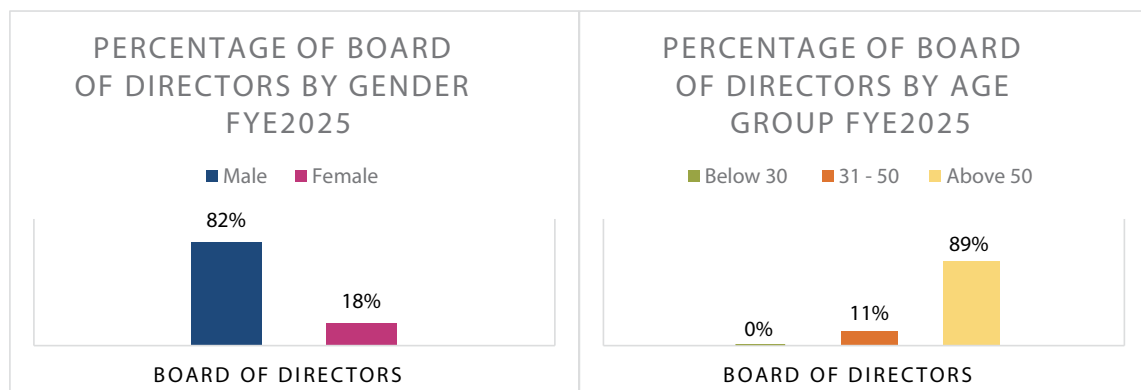
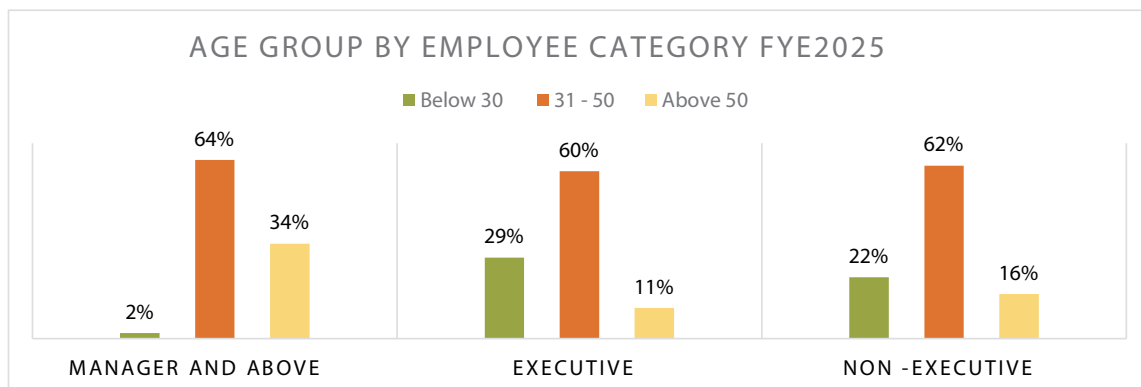
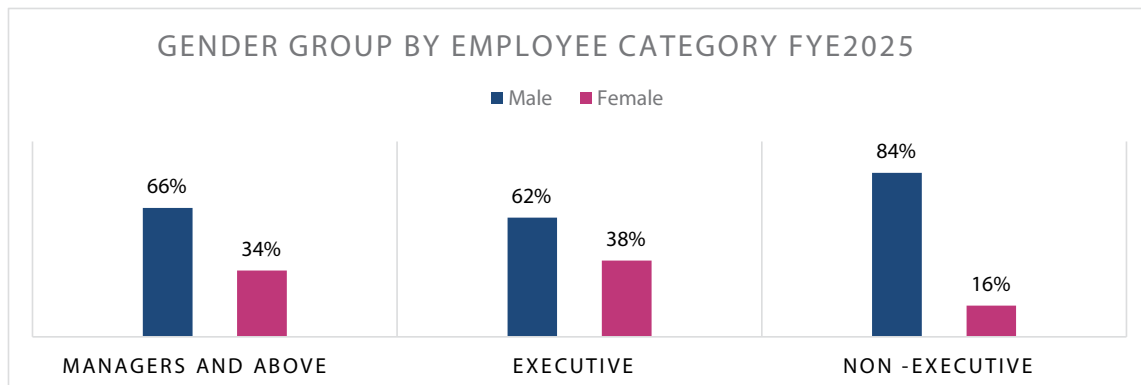
Diversity and equal opportunity are integral to building a progressive and sustainable workforce. We acknowledge that the construction industry has traditionally been more male-oriented and as such, we place importance on creating an environment where talent is valued regardless of gender, background or personal characteristics.

Our progress so far

At Varia, we believe that by promoting inclusivity and providing equal access to opportunities, we are able broaden participation across our organisation, enrich perspectives in decision-making and strengthen our overall competitiveness.

Here are the age and gender distributions for Varia as at FYE2025:

FYE2023	FYE2024	FYE2025
56%	53%	54%
Percentage of employees who are contractors or temporary staff		



SUSTAINABILITY STATEMENT
(CONT'D)

OCCUPATIONAL HEALTH & SAFETY

Why is it important to us

Occupational safety and health form a fundamental aspect of our sustainability agenda, closely tied to employee wellbeing and the reliability of our operations. We prioritise cultivating a safe working environment that supports our employees' wellbeing while ensuring our sites function smoothly and without unnecessary interruptions. In doing so, we also remain aligned with regulatory requirements and industry best practices, reinforcing safety as a non-negotiable standard across our operations.

Our progress so far

We place a strong emphasis on compliance with occupational health and safety legislation, proactively monitoring potential risk factors across all operations. Fostering a robust safety culture among employees and contractors remains a key priority, supported by ongoing enhancements to our health and safety management system. To safeguard the well-being of our workforce, all employees and site workers are provided with appropriate Personal Protective Equipment ("PPE"). Additionally, regular safety briefings, hands-on training sessions and emergency drills ensure heightened awareness, preparedness and the ability to respond swiftly to any incidents.

On top of that, our qualified Safety and Health Officers carry out regular inspections at project sites, identifying areas that require attention and providing recommendations to the Safety and Health Committee to support ongoing improvements and enhancements. They also oversee the conduct of fire drills at multiple sites to ensure preparedness and reinforce safety awareness among all employees and contractors.

FYE2023	FPE2024	FYE2025
0	0	25
Number of employees trained on health and safety standards		

FYE2023	FPE2024	FYE2025
0	0	0
Number of work-related fatalities		

During FYE2025, the Group recorded no fatalities, reflecting our ongoing commitment to workplace safety. However, the lost time incident rate has increased, signalling areas where further attention is needed.

FYE2023	FPE2024	FYE2025
0	0.72	1.03
Lost Time Incident Rate ("LTIR")		

We view this as an opportunity to strengthen our safety protocols, ensuring that all project sites continue to operate in a safe and secure manner for all.

Note: Figures for FPE2024 have been restated.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL CONTRIBUTION

Why is it important to us

Varia is dedicated to fostering positive and sustainable relationships with the local communities where we operate. We actively engage with the community to support shared growth and well-being, recognising that strong community ties create lasting value for both the Group and the people we serve.

Our progress so far

Guided by our Corporate Social Responsibility ("CSR") Policy, our very own Kelab Sukan dan Kebajikan carried out a range of activities aimed at promoting employee involvement in community engagement and social welfare. These initiatives provide opportunities for staff to contribute to local well-being, strengthening connections with the communities where we operate. Below are the highlights of our CSR outreach during the year:



Distribution of bubur lambuk and Duit Raya to Persatuan Kebajikan Rumah Anak Yatim Damai



Sumbangan Tabung Prihatin Bantuan Penduduk Putra Heights

	Measurement Unit	FYE2023	FPE2024	FYE2025
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	30,000	3,750	17,200
Total number of beneficiaries of the investment in communities	Number	20	400	501

Note: Figures for FPE2024 have been restated.

SUSTAINABILITY STATEMENT (CONT'D)

GOVERNANCE

Strong governance provides the foundation for effective sustainability practices. It ensures accountability, supports ethical and responsible decision-making and helps translate environmental and social objectives into tangible outcomes. With appropriate structures and oversight in place, the Group can manage risks, maintain stakeholder trust and advance meaningful, sustainable progress across its operations.

CORPORATE GOVERNANCE & ETHICS

Why is it important to us

Corporate governance and ethics form the backbone of the Group's business culture, guiding decision-making and ensuring operations are conducted responsibly, risks are effectively managed and trust is maintained with key stakeholders. This includes maintaining a firm stance against bribery and corruption, safeguarding sensitive data and complying fully with all applicable regulatory requirements. By embedding these principles into daily operations, the Group aims to build a business that is both resilient and accountable.

Our progress so far

Anti-Bribery and Corruption Policy

We uphold a strict stance against bribery and corruption across all business operations, ensuring the integrity necessary to achieve reliable and sustainable outcomes.

The Group is dedicated to conducting business in a lawful and ethical manner. Our Anti-Bribery and Corruption ("ABC") Policy, aligned with Section 17A of the MACC Act 2009, underscores the Group's firm stance against bribery and corruption. The Board oversees compliance with the Policy and reviews it at least once every three years to evaluate its effectiveness and ensure it remains relevant and appropriate. With that, we are happy to share that there were no incidents of corruptions recorded for FYE2025.

FYE2023	FPE2024	FYE2025
0	0	0
Confirmed incidences of corruption and action taken		

FYE2023	FPE2024	FYE2025
0%	0%	100%
Percentage of operations assessed for corruption-related risks		

In addition, our Internal Audit Department undertook an initiative to carry out Anti-Bribery and Corruption assessments for our appointed subcontractors during the year, where assessments were conducted through the submission of the Anti-Bribery and Corruption Declaration ("ABCD") by appointed subcontractors, in line with the Group's ABC Policy, complemented by interviews with project staff and random checks during site audits to ensure compliance.

Continuing this theme, we believe that sustaining a culture of integrity within the Group requires that all employees are well-informed on matters of ethics and compliance. As such, anti-corruption training is provided to all new recruits, ensuring awareness and adherence across the organisation. As shown below, the percentage of training completion decreased in FYE2025, primarily due to the Group's increased recruitment efforts during the year, with onboarding conducted in a phased manner that extended beyond the financial year-end.

	FYE2023	FPE2024	FYE2025
Percentage of employees who have received training on anti-corruption by employee category:			
Managers and above	52%	55%	26%
Executive	14%	42%	32%
Non-Executive	33%	32%	4%

SUSTAINABILITY STATEMENT (CONT'D)

Whistleblowing Policy

Additionally, the Group's Whistleblowing Policy supports our anti-corruption framework by providing employees and stakeholders with a secure and confidential channel to report any instances of misconduct or unethical behaviour. By facilitating open and protected communication, the policy contributes to fostering a transparent organisational culture. Information received through this channel enables timely action to address potential corruption, reinforcing internal controls and supporting the Group's commitment to conducting business with integrity.

Stakeholders who have concerns regarding potential corporate misconduct are encouraged to report them through our designated channel.

Attention: Chairman of Audit Committee

Address: 1105, Block E, Phileo Damansara 1, Jalan 16/11, Seksyen 16, 46350 Petaling Jaya, Selangor, Malaysia

Upon receipt, all reports will undergo meticulous analysis by the Internal Auditor designated by the Audit Committee. Subsequently, the findings will be deliberated with the Audit Committee or the Board of Directors to ascertain the appropriate steps.

The investigation results will be presented during the Audit Committee meeting and any reports or findings necessitating attention and approval will be reported to the Board of Directors.

All reports or disclosures will be treated as sensitive and will only be shared on a 'need-to-know' basis or when required by law, court, or relevant authority. Every effort will be made to handle such reports with the utmost confidentiality. The identity and details of the whistleblower will remain strictly private unless they choose to disclose their identity.

DATA PRIVACY

Why is it important to us

As businesses rely more on digital systems and data, it becomes increasingly important to handle information securely and responsibly. Varia is no exception to this expectation, and strong data management is essential for smooth operations and good corporate governance. Protecting our customers' personal and confidential information is a key priority as any loss or misuse could cause serious operational and reputational issues.

Our progress so far

In accordance with the Personal Data Protection Act 2010 (PDPA), the Group's Data Privacy Policy establishes clear guidelines for the collection, handling and storage of personal data. These principles help ensure that personal information is managed responsibly and with the utmost care across all operations.

Complementing this policy, organisation-wide preventive measures and IT protocols have been implemented to safeguard our digital systems and data assets. These ongoing efforts contribute to the integrity and reliability of our information management practices. For FYE2025, we are pleased to report that there were no incidents of breaches to customer data privacy, reflecting the effectiveness of our data protection initiatives.

FYE2023	FYE2024	FYE2025
0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE TARGETS

As part of the Group's ongoing commitment to enhancing sustainability practices, we continue to establish formal sustainability-related targets. Our focus remains on ensuring that these targets are meaningful, measurable and achievable. The targets set for the upcoming financial year reflect this forward-looking approach and may be adjusted in response to evolving market conditions or external developments beyond the Group's control. While currently reviewed on an annual basis, we are also exploring the potential for longer-term targets to ensure alignment with our broader sustainability strategy and objectives.

Sustainability Pillars	Targets FYE 2026
Economic - Economic Performance - Supply Chain Control	Maintain 100% procurement from local suppliers
Environmental - Climate Change - Energy - Water Management - Waste & Effluents	Achievement of ISO 14001:2015 Environmental Management Systems.
Social - Labour Practices & Standards - Diversity & Equal Opportunity - Occupational Health & Safety - Community Engagement	Maintain 0 (zero tolerance) substantiated human rights complaints
	Maintain zero work-related fatalities and a significant reduction in accident-related LTIR to ≤ 1 supported by enhanced safety training programs, stricter enforcement of site safety protocols, and closer monitoring of contractors' safety practices.
	Implementation of minimum of three CSR activities with direct community impact, demonstrating our ongoing commitment to strengthen relationships and contribute meaningfully to local communities.
Governance - Corporate Governance & Ethics - Data Privacy	Maintain zero confirmed incidents of corruption (zero tolerance policy).
	Achieve 100% employee participation in Code of Ethics and Anti-Bribery training, ensuring that all staff understand and uphold the company's standards of conduct.
	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data.

SUSTAINABILITY STATEMENT (CONT'D)

FORWARD LOOKING STATEMENT

The Group acknowledges the critical role of a strong sustainability reporting framework in driving continual improvement. Our outlook for future disclosures is designed to align with the latest Bursa Malaysia reporting requirements and Malaysia's National Sustainability Reporting Framework ("NSRF"), including the anticipated adoption of IFRS S1 and S2.

While keeping focus on our core business operations, we will continue to work towards the targets set for the coming year and explore additional sustainability-related initiatives to further enhance our sustainability practices and reporting capabilities.

Timeline	Sustainability Reporting Disclosure Roadmap
FYE2027	First year adoption of IFRS S1 & S2, adopting a climate first approach with partial adoption of abovementioned reporting standards.
FYE2029	Full adoption of IFRS S1 & S2 reporting standards and Scope 3 GHG disclosures.

SUSTAINABILITY STATEMENT (CONT'D)

STATEMENT OF ASSURANCE

This SS2025 has not been subjected to an external assurance process. Nevertheless, the performance data published in this SS2025 have been assessed and reviewed by the Board.

Scope of Work

The scope of the Internal Assurance review was limited to the Material Sustainability Matters ("MSM") presented in the SS2025 and did not include coverage of data sets or information unrelated to the data and information underlying the MSM and related disclosures nor did it include information reported outside of the SS2025, comparisons against historical data, or Management's forward-looking statements. The scope of work covered the data and information from the operations of Varia and its subsidiaries.

The Internal Assurance review covered the following indicators:

MSM	Indicators Reviewed
Anti-Bribery and Corruption	- Percentage of employees who have received training on anti-corruption by employee category; - Percentage of operations assessed for corruption-related risks; and - Confirmed incidents of corruption and action taken.
Community Engagement	- Total amount invested in the community where the target beneficiaries are external to the listed issuer; and - Total number of beneficiaries of the investment in communities.
Diversity & Equal Opportunity	- Percentage of employees by gender and age group, for each employee category; and - Percentage of directors by gender and age group.
Energy	Total energy consumption.
Occupational Health & Safety	- Number of work-related fatalities; - Lost time incident rate; and - Number of employees trained on health and safety standards.
Labour Practices & Standards	- Total hours of training by employee category; - Percentage of employees that are contractors or temporary staff; - Total number of employee turnover by employee category; and - Number of substantiated complaints concerning human rights violations.
Supply Chain Control	Proportion of spending on local suppliers
Data Privacy	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.
Water Management	Total volume of water used.

SUSTAINABILITY STATEMENT (CONT'D)

Standards and Criteria

The Internal Assurance review was conducted in accordance with the following standards and criteria:

- Bursa Malaysia Sustainability Reporting Guide
- Varia's relevant policies and procedures

Description of procedures performed

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance. Our procedures included:

- Gaining an understanding of Varia's business, internal processes and approach to sustainability;
- Conducting interviews with key personnel and collating evidence to understand Varia's process for reporting performance indicators;
- Conducting limited assurance procedures over the MSM including:
 - Undertaking analytical procedures to support the reasonableness of the data;
 - Verifying that the calculation methodologies for the MSM have been applied consistently;
 - Identifying and testing assumptions supporting calculations;
 - Conducting sample-based testing of underlying source information to check the accuracy of the data;
 - Performing recalculation of performance indicators using input data; and
 - Checking that measurements made at the end of the reporting period are entered into the records and in the Sustainability Statement in a timely manner.

We also performed such other procedures as we considered necessary in the circumstances.

Other Matters

Our limited review does not extend to any disclosures or assertions regarding future performance plans and strategies outlined in the SS2025. Our Statement of Assurance is confined to the MSM disclosed in the SS2025. We do not accept responsibility for any subsequent changes to the MSM and related disclosures.

Conclusion

Based on the procedures performed and the evidence obtained from the Management of Varia, nothing has come to our attention that leads us to believe that the MSM presented in the SS2025 have not been prepared or presented fairly, in all material respects, in accordance with the defined criteria.

Restriction of use

Our report has been prepared for the Board of Directors for the purpose described in the first paragraph of this SS2025 and for no other purpose. Our report should also not be considered suitable for use or reliance by any other party. We agree to the publication of this Statement of Assurance in the SS2025, to assist the Board of Directors in fulfilling their governance responsibilities by obtaining an independent limited assurance report on the MSM. We will not accept any liability or responsibility to any other party to whom our report is shown.

Internal Audit Department

Varia Berhad

27 October 2025

SUSTAINABILITY STATEMENT
(CONT'D)

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Manager and above	Percentage	26.00
Executive	Percentage	32.00
Non-executive	Percentage	4.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	17,200.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	501
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Manager and above Under 30	Percentage	2.00
Manager and above Between 30-50	Percentage	64.00
Manager and above Above 50	Percentage	34.00
Executive Under 30	Percentage	29.00
Executive Between 30-50	Percentage	60.00
Executive Above 50	Percentage	11.00
Non-executive Under 30	Percentage	22.00
Non-executive Between 30-50	Percentage	62.00
Non-executive Above 50	Percentage	16.00
Gender Group by Employee Category		
Manager and above Male	Percentage	66.00
Manager and above Female	Percentage	34.00
Executive Male	Percentage	62.00
Executive Female	Percentage	38.00
Non-executive Male	Percentage	84.00
Non-executive Female	Percentage	16.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	82.00
Female	Percentage	18.00
Above 50	Percentage	89.00
Under 30	Percentage	0.00
Between 30-50	Percentage	11.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	721.66
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.03
Bursa C5(c) Number of employees trained on health and safety standards	Number	25

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2025
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Manager and above	Hours	400
Executive	Hours	400
Non-executive	Hours	48
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	54.00
Bursa C6(c) Total number of employee turnover by employee category		
Manager and above	Number	3
Executive	Number	7
Non-executive	Number	7
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	40,529.000000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	0.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00

Internal assurance External assurance No assurance

(*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Varia Berhad ("Varia" or "Company") remains committed to good corporate governance practice across the Company and its subsidiaries ("Group"). In recognising the importance of good corporate governance, the Board ensures that the Group's practices are aligned with the principles and best practices set out in the Malaysian Code on Corporate Governance (Revision 2021) ("MCCG") and guided by the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad ("Bursa Securities") while embedding the core values of good governance into its culture and operations.

This statement, which is made pursuant to Paragraph 15.25 and guided by Practice Note 9 of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), sets out the extent to which the Group has applied the principles and best practices of the MCCG during the financial year ended 30 June 2025.

The Group's detailed application of each practice as set out in the MCCG for financial year ended 30 June 2025 is disclosed in the Corporate Governance Report ("CG Report") which is available on the Company's website at www.varia.com.my. This statement is to be read in conjunction with the CG Report.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

1.1 Roles and responsibilities

The Board plays a key role in the governance process through its review and approval of the Group's direction and strategy, monitoring of business performance and review of the adequacy and integrity of the Group's internal control system. The Board believes that commitment to its fiduciary duties and responsibilities is critical to its goal of driving long term shareholders' value.

The Board, together with Management, reviewed the Group's strategy and the Board had satisfied itself that all appropriate considerations have been taken into account in the formulation of the Group's strategy.

In addition to strategic matters, the Board, amongst others, is also responsible for the following key matters:-

- (a) Reviewing and adopting strategic plans for the Group to support long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.
- (b) Overseeing and evaluating the conduct of the Group's business as well as supervise and assess Management's performance to determine whether the business is being properly managed.
- (c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures.
- (d) Review the adequacy and integrity of the management information and internal controls systems of the Group.
- (e) Ensure ethical behaviour and compliance with the relevant laws and regulations, audit and accounting principles, and the Group's own governing documents and codes of conduct which include appropriate communication and feedback channels which facilitate whistleblowing and ensure the compliance of the codes of conduct.
- (f) Reviewing and approving the financial results, quarterly and annually and ensuring the Company's financial statements are true and fair and conform with the accounting standards and laws.
- (g) Promoting a good corporate culture within the Company and the Group which reinforces ethical, prudent and professional behaviour.

The Board is also mindful of the importance of building a sustainable business and therefore, takes into consideration its economic, environment and social impact when developing and implementing the corporate strategies and business plans of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD RESPONSIBILITIES (CONT'D)

1.2 Separation of roles between Chairman and Managing Director

The roles of the Chairman and Managing Director ("MD") are distinct and held separately with each position vested with clearly defined authority and responsibilities. The Board recognises the importance of maintaining a clear separation between the roles and responsibilities of the Chairman and the MD to ensure a balance of power and authority to prevent any excessive concentration of power in either position.

The Chairman of the Board provides effective leadership and is responsible for ensuring the adequacy and effectiveness of the Board's governance process.

The MD is responsible for the effective management of the Group's operations and for implementing the policies and decisions of the Board. The Board maintains an effective working relationship with Management in setting the Group's strategic direction. Management, in turn, supports and assists the MD in executing these strategies and in overseeing the Group's day-to-day business activities.

1.3 Company Secretary

The Company Secretary, who is suitably qualified and experienced, advises the Board on regulatory requirements and corporate governance matters, ensuring that the Board is able to discharge its duties and responsibilities effectively.

1.4 Supply and access to information

The Directors have full and unrestricted access to all information relating to the Group's business and affairs to enable them to discharge their duties effectively. Such access to information is provided through the following means:-

- (a) Members of senior management attend Board and Board Committees meetings by invitation to report areas of business within their responsibilities including financial, operational, corporate, regulatory, business development and audit matters updates, for the Board's decision making and effective discharge of the Board's responsibilities.
- (b) The Board and Board Committees papers, which include agenda and reports relevant to the issues of the meetings are prepared and forwarded to the Directors within reasonable period before the respective meetings to enable them to receive the information in a timely manner.
- (c) The Audit Committee meets regularly with Management, Internal Auditors, and External Auditors to review reports on the Group's internal control systems, financial reporting and risk management. The Chairman of the Audit Committee subsequently reports its findings and recommendations to the Board.

In the furtherance of their duties, the Directors, whether acting collectively or individually, may seek independent professional advice and obtain information on specific matters, if deemed necessary, at the Company's expense. This enables them to make informed and impartial decisions and to discharge their responsibilities effectively in the decision-making process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. BOARD RESPONSIBILITIES (CONT'D)

1.5 Board Charter, Code of Ethics for Directors, Whistleblowing Policy, Anti-Bribery & Corruption Policy and others

The objectives of the Board Charter are to ensure that all Directors are fully aware of their duties and responsibilities as Board members as well as the legislations and regulations governing their conduct. It also seeks to ensure that the principles and practices of good corporate governance are upheld in all dealings carried out in respect of, and on behalf of the Company. The Board Charter is periodically reviewed to ensure its contents remain current with the latest regulatory requirements and best practices, while maintaining relevance to the evolving circumstances of the Group.

The Board Charter was reviewed and updated to be in line with the requirements and recommendations outlined in the MCCG and Listing Requirements.

The Board has adopted its Code of Ethics founded on the principles of sincerity, integrity, responsibility and corporate social responsibility which aims to establish a standard of ethical conduct for Directors and to uphold the spirit of accountability and social responsibility, in line with the legislations, regulations and guidelines governing corporate conduct.

The Group has adopted a Whistleblowing Policy to provide an avenue for the Group's employees, stakeholders and members of the public to report concerns or disclose any misconduct or wrongdoing that may adversely affect the Group.

The Group has also adopted an Anti-Bribery and Corruption Policy pursuant to the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 with the aim of preventing the occurrence of bribery and corruption in relation to the Group's business activities. The Group is committed to conducting its business in a legal and ethical manner. All Directors, employees, and any persons performing services, for or on behalf of the Group, including contractors, sub-contractors, consultants, suppliers, agents, intermediaries and representatives are expected to conduct themselves and the Group's business with honesty, integrity and professionalism.

The Board Charter, Code of Ethics for Directors, Whistleblowing Policy, Anti-Bribery and Corruption Policy and other related policies are available on the Group's website at www.varia.com.my.

1.6 Sustainability

The Board, together with Management, is committed to promoting sustainable and responsible business practices that generate a positive impact on the economy, safeguard the environment and create value for the communities in which the Group operates.

An update on the Group's sustainability approach is provided in the Sustainability Statement section of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION

2.1 Board composition and balance

During the financial year under review, the Board has 9 Directors, comprising the Independent Non-Executive Chairman, Executive Deputy Chairman, 2 Non-Independent Executive Directors, 3 Independent Non-Executive Directors and 2 Non-Independent Non-Executive Directors, which complies with Paragraph 15.02(1)(a) of the Listing Requirements that states that at least 2 directors or one-third of the Board members, whichever is higher, are Independent Directors.

Currently, there are 2 women Directors sitting on the Board in compliance with Paragraph 15.02(1)(b) of the Listing Requirements which states that at least 1 director on the Board must be a woman. The Board supports the aspiration to achieve at least 30% women directors on the board and where new appointments are to be made to the Board, priority will be given to suitable women candidates to achieve at least 30% women directors on the Board.

Board balance is achieved with the contribution of the Independent Non-Executive Directors and the fair representation of the shareholders' interests. The Independent Non-Executive Directors are able to exercise their unbiased independent judgment and views freely and do not have any business or other relationships that could interfere with their duties.

As part of the Company's ongoing effort to strengthen Board independence, the Company currently has 4 Independent Directors and all of them have served for a cumulative term of less than 12 years, in compliance with the Listing Requirements which limits the tenure of an independent director to not more than a cumulative period of 12 years from the date of first appointment as an independent director.

The Board is satisfied that the current composition of Directors provides the right balance and size between Executive Directors and Non-Executive Directors with appropriate mix of relevant skills, knowledge and industry experience required to promote shareholders' interests and to govern the Company effectively.

2.2 Board Committees

The Board has delegated specific responsibilities and duties to the following Board Committees to assist in the efficient and effective discharge of its functions. Meetings of these Committees provide a platform for members to focus on matters within their respective terms of reference, as approved by the Board, enabling a thorough and in-depth deliberations on issues under their purview:-

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Risk Management Committee
- (d) Share Issuance Scheme Committee
- (e) Sustainability Committee

The Board Committees conduct their proceedings with transparency and full disclosure and where applicable, matters deliberated by the Committees are reported to the Board together with the appropriate recommendations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.3 Board of Directors' meetings

The Board meets regularly, at least once every quarter, and additional meetings are convened when necessary. Directors are provided with due notice of the matters to be discussed, together with relevant Board papers containing management, financial and other pertinent information, in advance of the meetings. This enables them to seek further explanations and/or clarifications to ensure effective deliberations. Senior Management and professional advisers are invited to attend Board meetings, as required, to provide their views and clarifications on issues raised by the Directors.

The proceedings, deliberations and decisions of the Board are properly documented in the minutes of meetings, maintained by the Company Secretary, and subsequently confirmed by the Board before being signed by the Chairman of the meeting.

During the financial year ended 30 June 2025, the Board convened 5 meetings and the attendance record of each Director is as follows:-

Name of Directors	No. of meetings attended
Dato' Sri Dr. Mohd Nizom bin Sairi (<i>appointed on 3 October 2024</i>)	3/4*
Datuk Lau Beng Wei	5/5
Datuk Lau Beng Sin	5/5
Datuk Manivannan a/l Ganapathy	5/5
Datuk Wira Roslan bin Ab Rahman	5/5
Datuk Kok Boon Kiat	5/5
Shahrizam bin A Shukor	5/5
Sharifah Rafidah binti Wan Mansor	5/5
Lailatul Azma binti Abdullah (<i>appointed on 31 January 2025</i>)	2/2*

* No. of Board meetings held since appointment as Director.

Between scheduled Board meetings, matters requiring the Board's decision may be approved by way of circular resolutions, accompanied by all relevant documentation and information to enable fully informed deliberations. Resolutions passed through this process are formally noted and recorded at the subsequent Board meeting. In line with good governance practices, Directors are required to declare to the Board any actual or potential conflicts of interest in relation to matters under consideration by the Company and/or the Group and must abstain from participating in the deliberations and decision-making on such matters.

Directors are to allocate sufficient time and attention to the Company to discharge their duties effectively, including adequate preparation for meetings and active participation in the Company's business deliberations. All Directors are required to promptly notify the Board of any new directorships in other listed issuers. In compliance with the Listing Requirements, each Director of the Company shall not hold more than 5 directorships in listed issuers at any given time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.4 Policy on diversity

The Board recognises that diversity at both Board and Senior Management levels is essential to ensuring a broad range of perspectives, experiences and expertise. Such diversity strengthens decision-making and supports the achievement of the Company's objectives and long-term goals. The Company's foremost priority is to identify the most suitable candidates to build and maintain a high-performing Board and Senior Management team when considering new appointments. Selection is based on merit, taking into account each candidate's character, skills, experience, expertise and competencies in the context of the Board and Senior Management as a whole.

The Company firmly believes that merit-based approach enables effective stewardship, strategic oversight and sound management of the Group ensuring sustainable growth and value creation.

Appointments to the Board and Senior Management are made free from bias or discrimination. In addition to assessing candidates based on their character, skills, experience, expertise and competencies, the Company also considers other key factors such as gender, ethnicity, cultural background and age to ensure that the Board and Senior Management function as a well-balanced and diverse team.

The Board affirms its commitment to gender diversity and supports the representation of women at the Board level with a target of achieving at least 30% female composition on the Board of Varia. The Company recognises the contributions the role of women bring to Board's performance. Moving forward, the Board will continue to work towards meeting this target.

At the Senior Management level, while no specific numerical target has been set, the Company remains committed to increasing female representation in senior positions across the Group and will actively pursue initiatives to support this objective.

To promote the objective of diversity on the Board and Senior Management level, the following would be practised for the selection process for Board and Senior Management appointment:-

- (a) Making appropriate efforts to include women on the list of candidates to be considered for Board and Senior Management positions.
- (b) Conducting all Board and Senior Management appointment processes in a manner that promotes diversity.

In addition to relying on recommendations from Board members, Management and/or major shareholders in identifying, assessing and recommending suitable candidates for appointment as Directors or Senior Management, the Board will also explore independent channels to identify and source suitably qualified individuals.

2.5 Nomination and Remuneration Committee ("NRC")

As at the date of this statement, the NRC comprises of the following 3 members, the majority being Independent Directors:-

- (a) Sharifah Rafidah binti Wan Mansor (*Chairperson*)
- (b) Dato' Sri Dr. Mohd Nizom bin Sairi
- (c) Datuk Kok Boon Kiat

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.5 Nomination and Remuneration Committee ("NRC") (Cont'd)

The key functions and responsibilities, amongst others, of the NRC are as follows:-

- (a) To recommend to the Board, candidates for directorships to be filled. In making its recommendations, the NRC shall consider the candidates' skills, knowledge, expertise and experience, professionalism and integrity. In the case of candidate for the position of Independent Director, the NRC shall evaluate the candidate's ability to discharge such responsibilities/functions as expected from Independent Director.
- (b) To recommend to the Board, Directors to fill the seats on Board Committees.
- (c) To assess the effectiveness and balance of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- (d) To review the terms of office and performance of the Audit Committee and its members annually.
- (e) To recommend the re-election of Directors retiring in accordance with the Company's Constitution at each annual general meeting of the Company.
- (f) To recommend to the Board, the remuneration of each Director in all its form, with the respective Directors abstain from deliberating their own remuneration.
- (g) To establish and review the level of remuneration packages of each Executive Director such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Group successfully.

2.5.1 Summary of activities of NRC

The NRC carried out the following activities during the financial year ended 30 June 2025:-

- (a) assessed, reviewed and nominated new appointment to the Board and Board Committees;
- (b) recommended the re-election of Directors retiring in accordance with the Company's Constitution;
- (c) reviewed and assessed the mix of skills, experience and size of the Board, contribution of each Director and effectiveness of the Board as a whole and Board Committees;
- (d) reviewed and assessed the independence of the Independent Directors; and
- (e) reviewed the performance and effectiveness of the Audit Committee and its members.

The Company has adopted a Directors' Fit and Proper Policy ("Policy") that prescribes the criteria for assessing the suitability of candidates for appointment and re-election as Directors of the Company and the Group. The Policy serves as a guiding framework for the NRC and the Board in reviewing and evaluating prospective Board appointees as well as incumbent Directors seeking re-election.

In the process of appointing a new Director, the NRC conducts a fit and proper assessment in accordance with the Policy. The NRC, in evaluating a candidate's fitness and propriety, considers all relevant factors based on the criteria stipulated in the Policy, ensuring that only individuals who meet the requisite standards of competence, integrity and commitment are recommended for appointment. All assessments and evaluations carried out by the NRC were properly documented.

2.5.2 Annual Board evaluation

With regards to Board evaluation, the NRC has reviewed and assessed the following factors for financial year ended 30 June 2025:-

- (a) The effectiveness and performance of the Board and Board Committees.
- (b) The character, integrity, competence, time commitment, contribution and performance of each individual Director.
- (c) The mix of skill and experience of each individual Director.
- (d) The independence of the Independent Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.5 Nomination and Remuneration Committee (“NRC”) (Cont’d)

2.5.2 Annual Board evaluation (Cont’d)

The criteria on the evaluation of the effectiveness and performance of the Board related to, amongst others, the appropriate composition and committees in correspondence to the Board’s oversight duties, the right mix of skills and experience to optimise the Board performance and strategy, clear definition of roles and responsibilities of the Board and individual Director.

Meanwhile, the criteria for evaluating the effectiveness and performance of the Board Committees include, amongst others, an assessment of whether each Committee has the appropriate composition, possesses financial literacy and knowledge of applicable laws and regulations, effectively discharges its responsibilities and provides the Board with appropriate reports and recommendations.

Based on the evaluation carried out, the NRC and the Board concluded that the overall Board’s size is conducive for effective discussion and decision making and are satisfied that it has an appropriate balance of expertise, skill and attributes among the Directors including the relevant core competencies. The Board has been able to discharge its duties professionally and effectively and all Directors continue to uphold the governance standards in discharging their duties and responsibilities.

The Directors are also able to devote sufficient time commitment to their roles and responsibilities as documented by their attendance records.

During the financial year under review, the Independent Directors carried out a self-evaluation of their independence based on the criteria of independence as set out in the Listing Requirements. The Board, who obtained confirmation of independence from the Independent Directors and having assessed their independence, is satisfied with their level of independence.

2.6 Re-election and re-appointment

In accordance with the Company’s Constitution, all Directors who are appointed by the Board are subject to re-election by shareholders at the Annual General Meeting (“AGM”) following their appointment, where one-third of the Directors shall retire from office at each AGM. All Directors shall retire from office at least once in every 3 years and the retiring Directors are eligible to offer themselves for re-election at the AGM.

The NRC had also conducted the fit and proper assessment on the Directors who were recommended for re-election at the AGM of the Company.

2.7 Directors’ training

The Directors, to keep themselves abreast with the latest industry developments as well as new statutory and regulatory requirements, are strongly encouraged to attend and participate in various training programmes, seminars and/or conferences to enable them to discharge their duties effectively. The Company acknowledges that continuous education is vital for the Directors to gain insight into the state of economy, technological advances, regulatory updates and management strategies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.7 Directors' training

The training programmes attended by the Directors during the financial year ended 30 June 2025 are as follows:-

Directors	Title of training programmes
Dato' Sri Dr. Mohd Nizom bin Sairi	Mandatory Accreditation Programme Part II – Leading for Impact
Datuk Lau Beng Wei	- Risk Management - Mandatory Accreditation Programme Part II – Leading for Impact
Datuk Lau Beng Sin	- Highway Concession Conference 2024 – Highway Revitalisation: Balancing Engineering, Social and Environment Innovatively - Risk Management - Mandatory Accreditation Programme Part II – Leading for Impact
Datuk Manivannan a/l Ganapathy	- Risk Management - Mandatory Accreditation Programme Part II – Leading for Impact
Datuk Wira Roslan bin Ab Rahman	- Mandatory Accreditation Programme Part II – Leading for Impact - Board Ethics: Growing Concerns from New Technology, Stakeholder Interests and Conflict of Interest - Energy Asia 2025: Delivering Asia's Energy Transition
Datuk Kok Boon Kiat	Mandatory Accreditation Programme Part II – Leading for Impact
Shahrizam bin A Shukor	Mandatory Accreditation Programme Part II – Leading for Impact
Sharifah Rafidah binti Wan Mansor	- Mandatory Accreditation Programme Part II – Leading for Impact - MBRS 2.0 for Annual Return - MBRS 2.0 for Preparers of Financial Statements
Lailatul Azma binti Abdullah	- Capital Market Services Representative License of the Capital Markets & Services Act 2007 - How to make sense of Returns, Risk, Diversification and Other Core Concepts of Investing - The Art of Communication for Consultative Selling

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. REMUNERATION

The remuneration for the Non-Executive Directors is decided by the Board as a whole. The Board recommends the Directors' fees and benefits payable to Non-Executive Directors on a yearly basis to the shareholders for approval at the AGM.

The Group has in place a remuneration policy and procedures which sets out the criteria to be used in recommending the remuneration package for Directors and Senior Management to ensure they are adequately remunerated for the services they render. The Remuneration Policy is made available on the Company's website at www.varia.com.my.

Detailed information on the remuneration of each Director for financial year ended 30 June 2025, disclosed on a named basis, is provided under Practice 8.1 of the CG Report.

Meanwhile, the Board is of the view that disclosure of the remuneration of Key Senior Management is not in the best interests of the Group, having regard to the confidentiality and sensitivity of such remuneration packages as well as the competitive nature of the industries in which the Group operates, which may give rise to challenges in recruitment and retention of senior leadership talent.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

1.1 Composition

As at the date of this statement, the Audit Committee comprises of 3 members, majority of whom are Independent Non-Executive Directors, in compliance with Paragraph 15.09 of the Listing Requirements.

The Audit Committee provides independent oversight of the Group's financial reporting and internal control system and ensures that checks and balances are in place within the Group.

Details of the composition and a summary of activities carried out by the Audit Committee during the financial year ended 30 June 2025 are set out in the Audit Committee Report section of this Annual Report.

1.2 External Auditors

1.2.1 Relationship with External Auditors

Through the Audit Committee, the Group maintains a transparent and constructive relationship with its External Auditors, seeking their professional advice to ensure compliance with applicable accounting standards. The External Auditors are invited to attend Audit Committee meetings to present the audit plan, highlight key observations and share findings arising from the course of the audit, keeping the Audit Committee members informed of relevant audit matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee (Cont'd)

1.2 External Auditors (Cont'd)

1.2.2 Assessment of External Auditors

The Audit Committee is entrusted with the responsibility of assessing the suitability and independence of the External Auditors. This assessment is carried out in a structured and transparent manner, with all procedures and findings duly documented. Based on the results, no major concerns were identified and the Board expressed its satisfaction with the External Auditors' performance, professionalism and independence.

1.2.3 Independence of External Auditors

The External Auditors are required to declare their independence to the Audit Committee in accordance with the independence criteria set by the Malaysian Institute of Accountants. This declaration was provided in their annual audit plan, which was presented to the Audit Committee.

2. Risk Management and Internal Control

The Board acknowledges its overall responsibility for the Group's system of internal control and risk management, aimed at safeguarding shareholders' investments and the Group's assets. The Audit Committee reviews the effectiveness of the Group's internal control on a quarterly basis. This review encompasses governance, risk and compliance controls as well as the processes for identifying, evaluating and managing the significant risks faced by the Group.

Details on the internal control and risk management framework are set out in the Statement on Risk Management and Internal Control section in this Annual Report.

2.1 Internal audit function

The Group Internal Audit assists the Audit Committee in the discharge of its duties and responsibilities.

The internal audit function is effective and able to function independently where the Internal Auditor reports directly and functionally to the Audit Committee. The internal audit function and activities are set out in the Statement of Risk Management and Internal Control section and Audit Committee Report section in this Annual Report.

The internal audit function was performed in-house during the financial year under review.

2.2 Risk Management Committee

As at the date of this statement, the Risk Management Committee comprises of 3 members, the majority being Independent Directors. The Risk Management Committee assists the Board in overseeing the risk management process within the Group.

During the financial year under review, the Risk Management Committee met twice to review and evaluate the risk exposures of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

3. Accountability and audit

3.1 Financial reporting

The Board is committed to ensuring that shareholders and other stakeholders are provided with a balanced, clear and meaningful assessment of the Group's financial position and prospects. In discharging this responsibility, the Board ensures that the Group's quarterly results announcements and annual financial statements are prepared in accordance with applicable financial reporting standards and regulatory requirements and presented in a transparent, timely and readily comprehensible manner.

The Group's performance and prospects in the financial results on a quarterly basis, prepared based on appropriate accounting standards and accounting policies are reviewed and deliberated by the Audit Committee prior to recommendation for approval by the Board. The Audit Committee ensures that the information disclosed is accurate, adequate and in compliance with the various disclosure requirements imposed by the regulatory authorities.

The Board takes responsibility in ensuring that the financial statements reflect a true and fair view of the state of affairs of the Group and the Company in accordance with the Companies Act 2016, the applicable approved accounting standards in Malaysia and the Listing Requirements. This responsibility extends to other price-sensitive public announcements and reports submitted to the regulatory authorities.

3.2 Statement of Directors' Responsibilities in respect of the Annual Audited Financial Statements

The Board is responsible to prepare financial statements for each financial year, which give a true and fair view of the state of affairs, the financial results and cash flow of the Group and the Company for the financial year end.

In preparing those financial statements, the Directors have:-

- (a) adopted appropriate accounting policies and then applied them consistently;
- (b) made judgements and estimates that are prudent and reasonable; and
- (c) ensured applicable accounting standards have been followed and complied with.

The Board is responsible for keeping proper accounting records of the Group and the Company, which disclose with reasonable accuracy the financial position of the Group and the Company and which will enable them to ensure the financial statements have complied with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia. The Board is also responsible for taking reasonable steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. Communication with stakeholders

The Board believes in clear communication with the Company's stakeholders. The Group continuously ensures that it maintains a high level of disclosure and communication with its stakeholders through various practicable channels. The annual reports and announcements made quarterly and otherwise are the primary modes of communication to report on the Group's business, activities and financial performance to all its stakeholders. In addition to various announcements made during the year, the timely release of financial results on a quarterly basis provides stakeholders with an overview of the Group's performance and operations.

The Company's website, www.varia.com.my, also serves as a platform for stakeholders and members of the public to access information on the Group, which is updated regularly.

General meetings serve as a key platform for the Company to engage with shareholders, encouraging their interaction and participation and providing them with updates on the progress and performance of the Company and the Group.

2. Conduct of general meetings

The notice and agenda of AGM are made available to shareholders at least 28 days before the meeting date, providing them with sufficient time to review the Annual Report and consider the proposed resolutions. For each item of special business included in the notice, an accompanying explanatory note is provided to outline the effects and rationale of the proposed resolution.

Only shareholders whose names appear in the Record of Depositors as at the prescribed date are entitled to participate and vote at the general meeting. The Company encourages shareholders to attend and participate in the meeting and those who are unable to do so are advised to appoint a proxy to attend, participate and vote on their behalf.

Shareholders are provided with the opportunity to seek clarification on any pertinent and relevant matters relating to the Group's operations and performance as well as to exchange views with the Board. At the AGM, the External Auditors are also in attendance to provide professional and independent clarification on issues and concerns raised by shareholders.

In line with Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in the notice of general meeting will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the general meeting.

The outcome of the general meeting is announced to Bursa Securities on the same day as the meeting while the minutes, including the pertinent questions and responses as well as the voting results, is made available on the Company's website within 30 days from the date of the general meeting.

This Corporate Governance Overview Statement was approved by the Board of Directors of the Company on 28 August 2025.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") report of Varia for the financial year ended 30 June 2025 is presented as follows:-

COMPOSITION

The current composition of the AC comprised of the following Directors:-

Chairman

Shahrizam bin A. Shukor - Senior Independent Non-Executive Director

Members

Datuk Wira Roslan bin Ab Rahman - Non-Independent Non-Executive Director
Lailatul Azma binti Abdullah - Independent Non-Executive Director

The AC is made up of no fewer than 3 members, the majority of whom are Independent Directors. Shahrizam bin A Shukor is a member of the Malaysian Institute of Accountants and Associate member of Certified Public Accountant Australia.

TERMS OF REFERENCE

In fulfilling its duties and objectives, the AC is guided by its Terms of Reference, which is made available on the Company's website at www.varia.com.my.

MEETINGS AND ATTENDANCE

All AC members are provided with an agenda together with relevant reports and papers which are issued prior to the AC Meeting to enable the members to review the reports and papers as well as to obtain further information or explanation.

At the Board of Directors ("Board") Meeting, the Chairman of AC reports and highlights to the Board any pertinent issues discussed and deliberated by the AC during its meeting.

The AC held 5 meetings during the financial year ended 30 June 2025. Details of attendance of each AC member are as follows:-

Name of AC Member	No. of AC Meetings Attended
Shahrizam bin A Shukor	5/5
Datuk Wira Roslan bin Ab Rahman	2/2 ⁽¹⁾
Lailatul Azma binti Abdullah	2/2 ⁽¹⁾

⁽¹⁾ No. of AC meetings attended since appointment as AC member.

AUDIT COMMITTEE REPORT (CONT'D)

ACTIVITIES AND WORK OF THE AC

During the financial year under review, the AC had discharged its duties and responsibilities by carrying out the following work and activities:-

1. Reviewed the quarterly financial reports before tabling them to the Board for approval and release to Bursa Malaysia Securities Berhad. The review is to ensure the Company's quarterly financial reporting and disclosures presented a true and fair view of the Group's financial position and performance and are in compliance with the applicable accounting standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
2. Reviewed the audited financial statements of the Group and the Company together with the external auditors to ensure that it presented a true and fair view of the Company's financial position and performance for the year and is in compliance with all disclosure and regulatory requirements prior to submission to the Board for their consideration and approval;
3. Met with the external auditors, reviewed and discussed the audit plan 2025 on the scope of their audit to ensure it adequately covered the activities of the Group including its independence policies and procedures, consideration of fraud, related party disclosure and procedures, statutory timeline and audit activities, risk assessment and audit approach, review of statement on risk management and internal control, communication of key audit matters, reading of other information and accounting development;
4. Held a private session with the external auditors once during the financial year without the presence of the executive directors and Management to ensure there were no restriction in their scope of audit and to discuss any matters that the auditors wish to raise without the presence of the Management. During the private session, no critical issues were raised;
5. Reviewed the audit findings by the external auditors arising from the interim audit as well as the final audit and their resolution of the issues highlighted;
6. Reviewed, discussed and assessed the suitability, performance and independence of the external auditors for the financial year covering areas such as calibre, performance, audit team, audit scope and planning, independence and objectivity, audit communications as well as audit fees prior to submission to the Board for approval. The AC is satisfied with the suitability, performance and independence of the external auditors;
7. Reviewed and approved the internal audit plan for 2025 presented by the internal auditor to ensure there is adequate scope and comprehensive coverage over the activities of the operating subsidiaries of the Company;
8. Reviewed the internal audit reports which highlighted the audit issues, recommendation and the Management's responses and directed actions to be taken by the Management to improve the system of internal control;
9. Followed up on corrective actions taken by the Management on audit issues raised by the external auditors and the internal auditor to ensure that all key risks and control weaknesses are properly addressed;
10. Reported to and updated the Board on significant issues and concerns discussed during the AC meetings and where appropriate, made the necessary recommendations to the Board; and
11. Reviewed the Statement on Risk Management and Internal Control and the AC Report before tabling them to the Board for approval to be published in the Annual Report.

AUDIT COMMITTEE REPORT (CONT'D)

ACTIVITIES AND WORK OF THE AC (CONT'D)

During the financial year ended 30 June 2025, there was no conflict of interest or potential conflict of interest situation involving Directors and Senior Management of the Group (excluding related party transactions) identified and/or disclosed to the AC.

An annual assessment on the performance and effectiveness of the AC and its members for the financial year ended 30 June 2025 has been carried out by the Nomination and Remuneration Committee ("NRC"). The NRC and the Board are satisfied that the AC and its members had carried out their duties in accordance with the AC Terms of Reference.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function is performed in-house and is independent from the main activities and operations of the Group. The internal auditors provides an independent assurance on risk management and internal control and focuses on regular and systematic review of the internal control and management information systems, including compliance with applicable laws, regulations, rules, directives and guidelines. The internal auditors' activities were conducted using a risk-based approach and were guided by the International Professional Practice Framework.

The internal auditors provides quarterly reports of the audit undertaken to the AC, reporting on the outcome of its audits. The results of the audit reviews were discussed with Management and subsequently, the audit findings including the recommendations for improvement were presented to the AC. The AC reviews and evaluates the key issues raised by the internal auditors and ensures that appropriate and prompt remedial actions are taken by the Management.

In addition, the internal auditors function carried out follow-up reviews to ensure that corrective actions have been implemented in a timely manner by Management and the results of such reviews are also periodically reported to the AC.

During the financial year ended 30 June 2025, the activities and work of the internal auditors included the review of the Group and subsidiaries' functional areas, as follows:

No.	Reporting Timeline	Division / Subsidiary	Audited functional areas
1.	Quarter 1 from April 2024 to June 2024 Internal Audit Review for reporting in August 2024	Mewah Kota Sdn Bhd	Operational
2.	Quarter 2 from July 2024 to September 2024 Internal Audit Review for reporting in November 2024	Pembinaan Teguh Maju Sdn Bhd	Construction and Project Management
3.	Quarter 3 from October 2024 to December 2024 Internal Audit Review for reporting in February 2025	Varia Land Sdn Bhd (formerly known as Paramount Ventures Sdn Bhd)	Property, Construction and Project Management
4.	Quarter 4 from January 2025 to March 2025 Internal Audit Review for reporting in May 2025	Pembinaan Teguh Maju Sdn Bhd	Construction and Project Management

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), a listed issuer must ensure that its Board of Directors ("Board") includes in its annual report a statement about the state of its risk management and internal controls as a group. In addition, the Malaysian Code on Corporate Governance ("MCCG") also stipulates that the Board should maintain a sound system of internal controls, including a review of its effectiveness to safeguard shareholders' investments and the Group's assets.

A. ROLES AND RESPONSIBILITIES

(i) Board

The Board acknowledges its crucial role in developing robust risk management processes to safeguard the Group's interests from potential risk events that could hinder the execution of its business strategy and action plan. To ensure ongoing relevance and effectiveness, the Group's risk management and internal control systems are routinely evaluated in light of structural changes and the evolving business environment. The Board is dedicated to a continuous process of identifying, assessing and managing significant risks, and it is confident in the current risk management framework's adequacy and integrity.

This oversight is supported by designated Committees namely the Risk Management Committee ("RMC") and the Audit Committee ("AC"). The members of the RMC and AC consist of a Senior Independent Non-Executive Director, an Independent Non-Executive Director and a Non-Independent Non-Executive Director.

(ii) RMC

RMC was established by the Board to promote risk awareness and foster an intra-group risk and control culture. RMC is tasked with assisting the Board in fulfilling its fiduciary responsibilities to safeguard shareholders' investments and the Group's assets through a structured and proactive approach to risk management.

(iii) AC

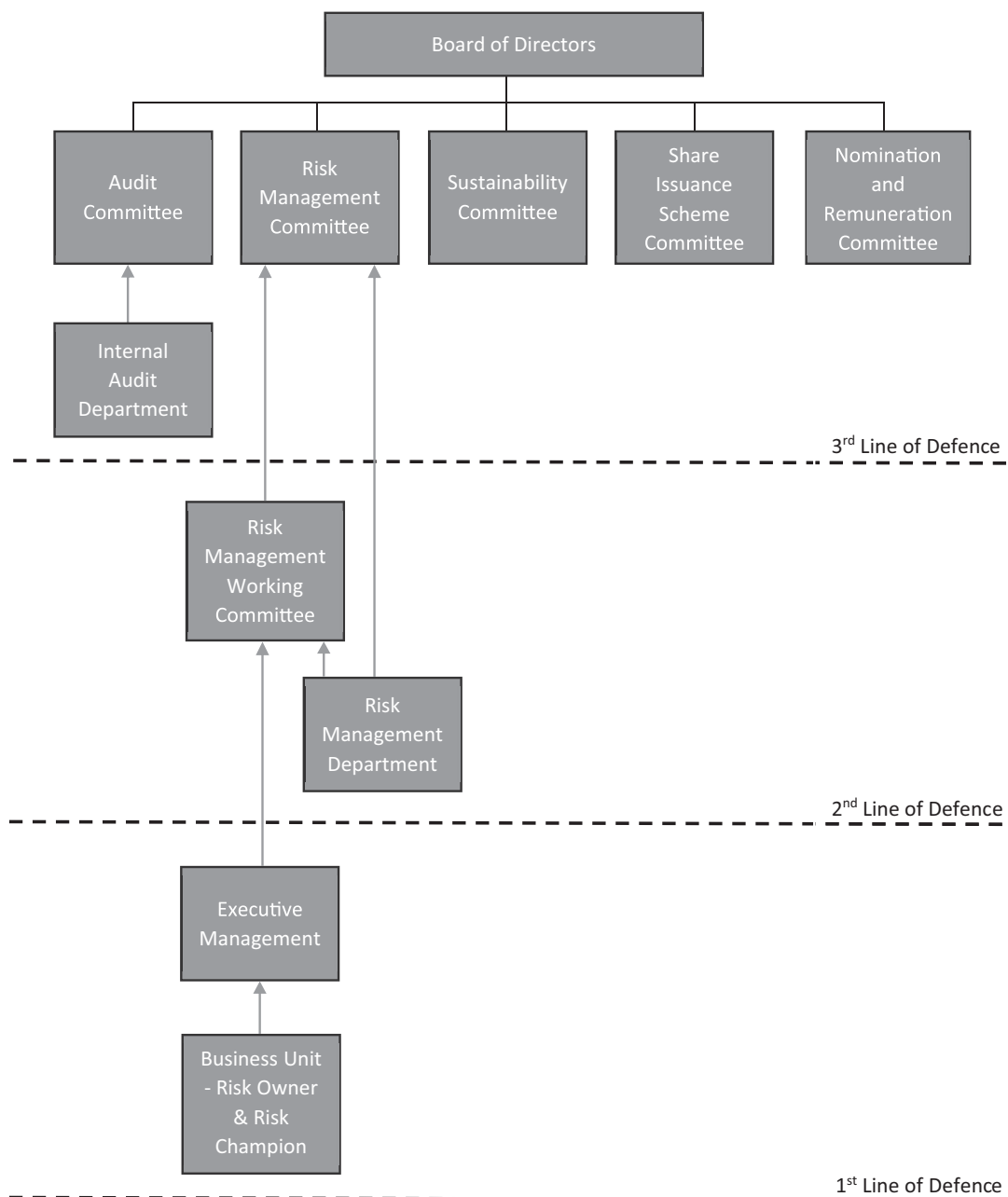
To provide an independent assessment of the adequacy and reliability of the risk management processes and internal controls as well as compliance with policies and regulatory requirements. Further information and updates on the activities undertaken by the AC during the financial year are detailed in the AC Report of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC) (CONT'D)

B. REPORTING STRUCTURE

Varia's risk management framework governs all risk management activities within the Group. It involves systematic processes that range from risk identification to reporting on hazards that could threaten the achievement of company objectives. Close monitoring and controlled procedures, including the use of relevant risk indicators, ensure that risk profiles are managed according to the criteria outlined in our risk management framework. All efforts aim to reduce uncertainties in both internal and external environments, enabling us to maximise opportunities and build a successful and sustainable company. These processes remain in effect for the year under review.

The implementation of risk management in the Group is supported by the following committees:-



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC) (CONT'D)

C. INTERNAL CONTROL

The Board is dedicated to upholding an effective internal control structure and a controlled environment for the proper execution of business operations. The following essential internal control structures have been implemented to ensure effective oversight and provide the key elements necessary for maintaining robust internal control:-

(1) CONTROL ENVIRONMENT

Varia established structures that provide the basis for carrying out internal control across the organisation. The Board and Senior Management set the tone at the top regarding the importance of internal control including the expected standards of conduct.

(i) Board Committees

The Board recognises that sound governance necessitates effective collaboration among the Board, Management, and auditors. The Board reviews and deliberates on the entire range of the Group's business strategies, directions, challenges and financial statements. In fulfilling its responsibilities, the Board is supported by the following Board Committees, which operate under defined terms of reference:-

- Audit Committee
- Risk Management Committee
- Nomination and Remuneration Committee
- Sustainability Committee
- Share Issuance Scheme Committee

(ii) Management meetings

The following are the various types of Management meetings conducted in Varia:-

Type of Management meetings	Frequency
Executive Committee ("EXCO") meetings Attending to Group's operational matters, improving business performance and assisting the Board in fulfilling fiduciary responsibilities. It also reviews and formulates policies for approval, evaluates investment opportunities, and ensures smooth management and administration of the Group.	Quarterly
Risk Management Working Committee meetings Provide assistance to the RMC in dealing with the risk areas at the respective department level and communicate upwards to the RMC.	Half Yearly
Management Committee Strategising the implementation of directives from the Board, AC and EXCO, recommending improvements, monitoring operations and keeping Department Heads informed.	Monthly

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC) (CONT'D)

C. INTERNAL CONTROL (CONT'D)

(2) CONTROL ACTIVITIES

Varia established a set of policies, procedures and standards that provide the whole organisation with proper guidance for decision making and streamlining the internal processes.

(i) Policies and Procedures

The Group has documented policies and procedures in place which are structured in a way to promote consistency and governance as well as to assist daily business operations. Policies and procedures have been approved by the Board to set the tone of control consciousness within the Group.

(ii) Certifications

Varia is dedicated to progressively improving its service quality by maintaining ISO 9001:2015 Quality Management System ("QMS") by Mewah Kota Sdn Bhd ("MKSB") and Pembinaan Teguh Maju Sdn Bhd ("PTM"). The certification are as below:-

- (a) MKSB obtained certificate since 2009 which scope of the certification covers on project Management for Building Construction and Civil Engineering Works; and
- (b) PTM certified since 2023 which covers the Provision of Construction Services for Building and Infrastructure Project.

MKSB and PTM certificates are valid until 2 March 2027 and 19 June 2026 respectively. The internal and external ISO audits are scheduled and performed on a yearly basis.

(iii) Discretionary Authority Limit ("DAL")

DAL outlines a strong governance system, address legal aspects, protect assets, ensure consistent approval routing and compile governance for matters reserved for Board approval.

The DAL is reviewed periodically or as needed adapting to changes in organisational structure and business requirements to improve effective decision-making.

(iv) Anti-Bribery and Corruption Policy ("ABCP")

The Group has established an ABCP as a commitment to prevent all forms of bribery and corruption in its daily business activities which are in line with the Group's core value to promote good governance.

The ABCP applies to all Directors, Management and employees of the Group and business associates who are performing works or services the Group. In addition, Section 17A MACC Act 2009 (Amendment 2018) has been addressed in the policy.

Related information and documentation are available on Varia's website, www.varia.com.my.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC) (CONT'D)

C. INTERNAL CONTROL (CONT'D)

(2) CONTROL ACTIVITIES (CONT'D)

(v) Anti-Bribery and Corruption Declaration ("ABCD")

The ABCD is the Group initiative aimed at aligning the Group's expectations with the behaviour of all business partners (consultants, contractors, and suppliers) and the principles outlined in the ABCP. The ABCD provides business partners with formal affirmation to adhere to the principles of the ABCP and to avoid any involvement in bribery and corruption offenses. The declaration will be signed upon successful registration as approved business partners.

This practice is clearly outlined in the Anti-Bribery and Corruption Policy, clause 9, "Business Partners and Their Conduct," which is available on Varia's website www.varia.com.my.

(vi) Whistleblowing Policy

The Group has established a Whistleblowing Policy to provide a clear direction for whistle-blowers to raise concerns with regard to any suspected wrongdoing and bribery or corruption.

The Whistleblowing Policy provides assurance to the whistle-blowers who are employees of the Group that they will be protected against reprisal and/or retaliation from their immediate superiors or head of departments/divisions, in line with the Whistleblower Protection Act 2010.

The Whistleblowing Policy is made available to all employees, external parties and stakeholders via Varia website, www.varia.com.my.

(3) INFORMATION AND COMMUNICATION

IT system and communication channels are put in place to enable effective decision-making by providing Management with timely and accurate information.

(4) MONITORING

(i) Internal Audit

The internal audit function is conducted by the in-house Internal Audit Department ("IAD"), which reports functionally to the AC with the aim of providing independent, objective assurance and consulting activities designed to enhance value and improve the organisation's operations. The IAD supports the Group in achieving its objectives by employing a systematic, disciplined approach to evaluating and enhancing the effectiveness of risk management, control and governance processes.

The responsibilities and scope of work of the IAD are outlined in the Internal Audit Charter's which is approved by the AC. The IAD performs regular reviews of the Group's operations and its internal control systems based on an approved audit plan presented to the AC. The results of all audit exercises including follow-up audit reports will be presented and discussed in the AC Meeting.

The audit plan is formulated based on the risk profiles of the respective business entities of the Group, identified in accordance with the Group's Risk Management Framework and input from the Board and Senior Management. This approach aligns with Practice 11.2 of the MCCG 2021.

The IAD has a clear reporting line to the AC which determines the scope of the IA function in accordance with Practice 11.1 of the MCCG 2021. Details of the activities undertaken by the IA are outlined in the AC Report. Consequently, the IAD operates independently of the activities being audited and is conducted with impartiality, proficiency and due professional care.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC) (CONT'D)

D. ASSURANCE

The Board believes that the internal control system established throughout the Group is sound and effective providing a level of confidence upon which the Board relies for assurance. The Board ensures that the internal control system and risk management practices of the Group are regularly reviewed to adapt to the changing and challenging operating environment.

The Managing Director and Chief Financial Officer assure the Board that the Group's internal control system is functioning adequately and effectively in all material respects, based on the Group's risk management and internal control system.

The Board is satisfied that the risk management and internal control system was generally satisfactory. Based on the assessment of the Group's internal control system for the year under review and up to the date of approval of this statement, no significant control failures or weaknesses that would lead to material loss, contingency or uncertainty requiring disclosure in the Company's annual report were identified.

E. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, this Statement on Risk Management and Internal Control has been reviewed by the External Auditors for inclusion in the Annual Report for the financial year ended 30 June 2025. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The External Auditors has reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of risk management and internal controls system of the Group.

This statement has been approved by the Board of Directors at its meeting on 27 October 2025.

OTHER COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

Bursa Malaysia Securities Berhad had approved the Company's application for an extension of time of 6 months until 3 October 2024 and subsequently vide its letter dated 26 September 2024 further approved for another extension of time of 6 months until 3 April 2025 to complete the implementation of the Private Placement of up to 50,000,000 new ordinary shares ("Extension of Time"). The Company, after taking into consideration, amongst others, the prevailing market condition, decided to not to proceed with the placement of the remaining 34,500,000 placement shares. The Private Placement is deemed completed following the expiry of the Extension of Time.

The Company had issued a total of 15,500,000 out of 50,000,000 new ordinary shares under the Private Placement and as at 30 June 2025, the status of utilisation of the proceeds raised from the Private Placement is as follows:-

Purpose	Proposed utilisation (RM)	Actual utilisation (RM)
Purchase of construction materials and labour cost	15,000,000	2,158,195
Payment to sub-contractors	25,000,000	10,340,056
Total	40,000,000	12,498,251

There is no corporate proposal which have been announced by the Company but not completed as at the date of the Annual Report 2025.

2. AUDIT AND NON-AUDIT FEES

During the financial year ended 30 June 2025, the amount of audit and non-audit fees paid and payable to Baker Tilly Monteiro Heng PLT, the external auditors were as follows:-

	Company (RM)	Group (RM)
Audit Fees	119,000	292,000
Non-Audit Fees	31,200	31,200

3. MATERIAL CONTRACTS OR LOANS

There were no material contracts or loans entered into by the Company and its subsidiaries involving the interests of Directors, chief executive who is not a Director or major shareholders, either still subsisting at the end of the financial year ended 30 June 2025 or entered into since the end of the previous financial period.

4. RECURRENT RELATED PARTY TRANSACTIONS

The Group did not enter into any significant recurrent related party transactions which require shareholders' mandate during the financial year under review.

OTHER COMPLIANCE INFORMATION (CONT'D)

5. INTERNAL AUDIT FUNCTION

The Company's internal audit function is performed in-house for the financial year under review and the total cost incurred for the internal audit function for the financial year under review was RM159,626.82.

6. SHARE ISSUANCE SCHEME ("SIS")

- (a) The Company has one (1) SIS in existence during the financial year under review which was implemented on 5 May 2021 for a period of five (5) years and may be extended for a further period of five (5) years or such shorter period, at the sole and absolute discretion of the Board upon the recommendation of the SIS Committee provided that the total duration of the SIS shall not in aggregate exceed ten (10) years from the effective date of implementation of the SIS.

All options granted and outstanding under the SIS had since lapsed following the take-over offer by Varia Engineering & Services Sdn Bhd, Datuk Lau Beng Wei and Datuk Lau Beng Sin during the financial year ended 31 March 2023.

- (b) There was no options granted under the SIS during the financial year ended 30 June 2025.
- (c) Percentage of options applicable to Directors and Senior Management under the SIS are set out below:-

Directors and Senior Management	During the financial year ended 30 June 2025	Since commencement up to 30 June 2025
Aggregate maximum allocation (%)	–	Lapsed
Actual options granted (%)	–	–

- (d) During the financial year ended 30 June 2025, there was no SIS Options offered and exercised by the Non-Executive Directors pursuant to the SIS.



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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include business of general contractors, construction of buildings, residential, roads and other construction activities, contractor for various kinds of civil and structural, mechanical and electrical works and maintenance works, property development, property investments and investment holding.

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

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	2,087,711	(11,158,232)
Attributable to: Owners of the Company	2,087,711	(11,158,232)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2025.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for 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.

At the date of this report, the directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM323,200 and RM150,200 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM381,712,508 comprising 417,000,000 ordinary shares to RM394,386,808 comprising 432,500,000 ordinary shares by way of issuance of 15,500,000 ordinary shares pursuant to the Company's private placement. The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

No new issue of debentures was made by the Company.

DIRECTORS

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

Dato' Sri Dr. Mohd Nizom bin Sairi
Datuk Lau Beng Wei*
Datuk Lau Beng Sin*
Datuk Manivannan A/L Ganapathy*
Datuk Wira Roslan bin Ab Rahman
Datuk Kok Boon Kiat
Shahrizam bin A Shukor
Sharifah Rafidah binti Wan Mansor
Lailatul Azma binti Abdullah
Dato' Kamarulzaman bin Jamil
Dato' Jamaluddin bin Sabeh

(Appointed on 31 January 2025)
(Resigned on 31 January 2025)
(Resigned on 31 January 2025)

* Directors of the Company and certain subsidiaries

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

Datuk Fariz Nazrul bin Che Noh
Raizita binti Ahmad @ Harun
Mahathir bin Mohamad Tahir
Datuk Koay Xing Boon
Datuk Sri Dr Shahril bin Mokhtar
Teo Boon Hing

(Appointed on 13 March 2025)
(Appointed on 7 April 2025; resigned on 23 October 2025)
(Resigned on 15 September 2025)

DIRECTORS' REPORT
(CONT'D)**DIRECTORS' INTERESTS**

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	At 1.7.2024	Number of ordinary shares		At 30.6.2025
		Bought	Sold	
Interests in the Company				
Direct interests:				
Datuk Lau Beng Wei	131,008,000	–	–	131,008,000
Datuk Lau Beng Sin	95,922,000	–	–	95,922,000
Indirect interests:				
Datuk Lau Beng Wei*	29,113,100	–	–	29,113,100
Datuk Lau Beng Sin*	29,113,100	–	–	29,113,100
Datuk Manivannan A/L Ganapathy^	20,000	–	–	20,000

* Shares held through company in which the director has substantial financial interests.

^ Shares held through spouse.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Datuk Lau Beng Wei and Datuk Lau Beng Sin are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown 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.

The directors' benefits of the Group and of the Company were as follows:

	Group RM	Company RM
Directors of the Company		
Executive directors		
- Other emoluments	2,220,813	995,672
	2,220,813	995,672
Non-executive directors		
- Fees	309,000	309,000
- Other emoluments	282,141	282,141
	591,141	591,141
	2,811,954	1,586,813

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS (CONT'D)

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

INDEMNITY TO DIRECTORS AND OFFICERS

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act 2016 throughout the year, which provides appropriate insurance cover for the directors and officers of the Company.

The amount of indemnity insurance coverage and insurance premium paid for the directors and certain officers of the Group and the Company during the year amounted to RM10,000,000 and RM14,249 respectively.

SUBSIDIARIES

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

Name of company	Principal place of business/ Country of incorporation	Ownership interest 2025 %	Principal activities
Pembinaan Teguh Maju Sdn. Bhd.	Malaysia	100	Business of general contractors, construction of buildings, residential, roads and other construction activities.
Mewah Kota Sdn. Bhd.	Malaysia	100	Contractor for various kinds of civil and structural, mechanical and electrical works and maintenance works.
Varia Land Sdn. Bhd. (formerly known as Paramount Ventures Sdn. Bhd.)	Malaysia	100	Property development and the business of general civil and structural, mechanical and electrical works and project management.
Merge Properties Sdn. Bhd.	Malaysia	100	Property investment.
MEB Realty Sdn. Bhd.	Malaysia	100	Property investment.
Varia Energy Sdn. Bhd. (formerly known as Merge Energy O & G Sdn. Bhd.)	Malaysia	100	Inactive.
Ababil Perkasa Sdn. Bhd.	Malaysia	100	Inactive.
Semarak Niaga Lanskap Sdn. Bhd.	Malaysia	100	Inactive.
WCEX Holdings Sdn. Bhd.	Malaysia	100	Inactive.

DIRECTORS' REPORT
(CONT'D)**SUBSIDIARIES (CONT'D)**

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

Name of company	Principal place of business/ Country of incorporation	Ownership interest 2025 %	Principal activities
WCEX Expressway Sdn. Bhd.	Malaysia	100	Inactive.
WCEX Maju Sdn. Bhd.	Malaysia	100	Inactive.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Holdings Sdn. Bhd. ("WHSB") with an issued and paid-up capital of RM2 comprising 2 ordinary shares. The intended principal activity of WHSB is investment holding and engaged in the design, construction, management, operation and development of expressway and managing its toll operations.
- (b) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Expressway Sdn. Bhd. ("WESB") with an issued and paid-up capital of RM2 comprising 2 ordinary shares. The intended principal activity of WESB is engaged in the design, construction, management, operation and development of expressway and managing its toll operations.
- (c) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Maju Sdn. Bhd. ("WMSB") with an issued and paid-up capital of RM2 comprising 2 ordinary shares. The intended principal activity of WMSB is provision of highway maintenance services.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 8 October 2025, the Company lodged the required information and relevant documents in relation to the Sukuk Murabahah Programme with the Securities Commission Malaysia ("SC") pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC.

The Sukuk Murabahah Programme entails multiple issuances of rated and/or unrated Islamic Medium Term Notes ("IMTN") with a perpetual tenure and the IMTNs issued shall have a tenure of at least 1 year and up to 30 years.

The proceeds from issuance of the Sukuk Murabahah shall be utilised by the Company for the following Shariah-compliant purposes:

- (a) to finance the capital expenditure of the Group;
- (b) to refinance all or part of any existing Shariah-compliant and/or existing outstanding conventional indebtedness incurred or future Shariah-compliant indebtedness to be undertaken by the Group;
- (c) to finance the Company's working capital and other general corporate purposes;
- (d) to finance the Group's projects, investments and asset development, replacement and/or acquisitions that are being undertaken and/or to be undertaken in the future;
- (e) to fund the fees, costs, expenses and all other amounts payable under or in relation to the Sukuk Murabahah; and
- (f) to fund any minimum required balance in any designated account, if applicable.

DIRECTORS' REPORT (CONT'D)

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

.....
DATUK LAU BENG WEI
Director

.....
DATUK LAU BENG SIN
Director

Date: 27 October 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	12,223,221	9,198,826	2,075,524	115,480
Investment properties	6	11,580,000	11,550,000	–	–
Inventories	7	15,074,302	11,308,389	–	–
Intangible assets	8	413,953,072	433,600,660	–	–
Investment in subsidiaries	9	–	–	496,021,679	496,201,210
Other investment	10	–	–	–	–
Prepayments	12	3,148,118	–	–	–
Total non-current assets		455,978,713	465,657,875	498,097,203	496,316,690
Current assets					
Inventories	7	8,385,791	9,002,278	–	–
Tax assets		890,687	895,017	–	–
Trade receivables	11	144,761,133	115,347,635	–	–
Other receivables, deposits and prepayments	12	40,950,205	24,561,383	675,232	1,453,625
Amounts due from subsidiaries	13	–	–	651,295	601,282
Contract assets	14	57,391,863	29,393,401	–	–
Contract costs	15	294,617	146,369	–	–
Deposits, cash and bank balances	16	25,664,935	5,697,532	2,718,904	599,925
Total current assets		278,339,231	185,043,615	4,045,431	2,654,832
TOTAL ASSETS		734,317,944	650,701,490	502,142,634	498,971,522

STATEMENTS OF FINANCIAL POSITION (CONT'D)

			Group		Company
	Note	2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	394,386,808	381,712,508	394,386,808	381,712,508
Retained earnings/(Accumulated losses)		8,167,225	6,079,514	(25,875,058)	(14,716,826)
TOTAL EQUITY		402,554,033	387,792,022	368,511,750	366,995,682
Non-current liabilities					
Loans and borrowings	19	61,728,371	91,443,206	57,985,040	86,984,947
Deferred tax liabilities	20	11,064,610	15,777,031	–	–
Total non-current liabilities		72,792,981	107,220,237	57,985,040	86,984,947
Current liabilities					
Loans and borrowings	19	70,259,118	22,027,200	27,858,736	14,497,395
Trade payables	22	133,477,945	79,637,707	–	–
Other payables, accruals and deposits	23	665,719	10,813,714	151,639	135,300
Amounts due to subsidiaries	13	–	–	47,635,469	30,358,198
Tax liabilities		134,283	–	–	–
Contract liabilities	14	54,433,865	43,210,610	–	–
Total current liabilities		258,970,930	155,689,231	75,645,844	44,990,893
TOTAL LIABILITIES		331,763,911	262,909,468	133,630,884	131,975,840
TOTAL EQUITY AND LIABILITIES		734,317,944	650,701,490	502,142,634	498,971,522

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
		Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
	Note				
Revenue	24	546,771,013	232,539,607	–	–
Cost of sales	25	(489,467,721)	(199,195,816)	–	–
Gross profit		57,303,292	33,343,791	–	–
Other income		2,053,891	854,277	7,631	–
Administrative expenses		(24,334,095)	(17,510,948)	(4,737,319)	(5,473,015)
Amortisation of intangible assets		(19,647,588)	(10,573,193)	–	–
Impairment losses on investment in subsidiaries		–	–	(179,537)	–
Impairment losses on amounts due from subsidiaries		–	–	(84,819)	(3,761,412)
Other expenses		(1,869,429)	–	(8,792)	–
Operating profit/(loss)		13,506,071	6,113,927	(5,002,836)	(9,234,427)
Finance income	26	585,195	263,619	16,963	–
Finance costs	27	(7,903,733)	(5,151,738)	(6,172,359)	(4,220,748)
Profit/(Loss) before tax	28	6,187,533	1,225,808	(11,158,232)	(13,455,175)
Tax expense	30	(4,099,822)	(461,509)	–	–
Profit/(Loss) for the financial year/period		2,087,711	764,299	(11,158,232)	(13,455,175)
Profit/(Loss) attributable to:					
Owners of the Company		2,087,711	764,299	(11,158,232)	(13,455,175)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		2,087,711	764,299	(11,158,232)	(13,455,175)
Earnings per share attributable to ordinary equity holders of the Company (sen)					
- Basic and diluted	31	0.48	0.32		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		◀ Attributable to owners of the Company ▶		
	Note	Share capital RM	Retained earnings RM	Total equity RM
Group				
At 1 April 2023		31,712,508	5,315,215	37,027,723
Total comprehensive income for the financial period				
Profit for the financial period, representing total comprehensive income		–	764,299	764,299
Transaction with owners				
Issuance of ordinary shares, representing total transaction with owners	18	350,000,000	–	350,000,000
At 30 June 2024		381,712,508	6,079,514	387,792,022
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income		–	2,087,711	2,087,711
Transaction with owners				
Issuance of ordinary shares, representing total transaction with owners	18	12,674,300	–	12,674,300
At 30 June 2025		394,386,808	8,167,225	402,554,033
	Note	Share capital RM	Accumulated losses RM	Total equity RM
Company				
At 1 April 2023		31,712,508	(1,261,651)	30,450,857
Total comprehensive loss for the financial period				
Loss for the financial period, representing total comprehensive loss		–	(13,455,175)	(13,455,175)
Transactions with owners				
Issuance of ordinary shares, representing total transaction with owners	18	350,000,000	–	350,000,000
At 30 June 2024		381,712,508	(14,716,826)	366,995,682
Total comprehensive loss for the financial year				
Loss for the financial year, representing total comprehensive loss		–	(11,158,232)	(11,158,232)
Transaction with owners				
Issuance of ordinary shares, representing total transaction with owners	18	12,674,300	–	12,674,300
At 30 June 2025		394,386,808	(25,875,058)	368,511,750

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Cash flows from operating activities				
Profit/(Loss) before tax	6,187,533	1,225,808	(11,158,232)	(13,455,175)
Adjustments for:				
Amortisation of intangible assets	19,647,588	10,573,193	–	–
Bad debts written off	31,800	–	–	–
Depreciation of property, plant and equipment	2,064,883	1,352,043	198,535	41,575
Fair value gain on investment properties	(30,000)	(220,000)	–	–
Gain on disposal of:				
- non-current asset held for sale	–	(200,000)	–	–
- property, plant and equipment	–	(116,737)	–	–
Gain on lease derecognition	(526,788)	(403)	(7,630)	–
Impairment losses on:				
- amounts due from subsidiaries	–	–	84,819	3,761,412
- investment in subsidiaries	–	–	179,537	–
Interest expense	7,903,733	5,151,738	6,172,359	4,220,748
Interest income	(585,195)	(263,619)	(16,963)	–
Property, plant and equipment written off	1,858,029	13,384	8,792	–
Provision for onerous contract	–	500,000	–	–
Operating profit/(loss) before changes in working capital	36,551,583	18,015,407	(4,538,783)	(5,431,440)
Changes in working capital:				
Inventories	(3,149,426)	(5,449,868)	–	–
Receivables	(48,950,438)	(81,847,509)	778,393	(1,427,376)
Contract assets	(27,998,462)	3,822,391	–	–
Contract costs	(148,248)	22,672,480	–	–
Payables	43,579,553	31,777,417	16,339	36,724
Provision	–	(3,073,787)	–	–
Contract liabilities	11,223,255	16,373,230	–	–
Net cash generated from/(used in) operations	11,107,817	2,289,761	(3,744,051)	(6,822,092)
Interest paid	(7,903,733)	(5,151,738)	(6,172,359)	(4,220,748)
Real property gain tax	–	(553,700)	–	–
Tax paid, net	(8,673,630)	(7,113,678)	–	–
Net cash used in operating activities	(5,469,546)	(10,529,355)	(9,916,410)	(11,042,840)

STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Group		Company	
		Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Cash flows from investing activities					
Acquisition of a subsidiary	9(a)	–	(93,885,011)	–	(100,000,000)
Incorporation of new subsidiaries	9(c)	–	–	(6)	–
Purchase of property, plant and equipment	5(a)	(4,619,165)	(783,751)	(1,295,180)	–
Proceeds from disposal of non-current asset held for sale		–	6,000,000	–	–
Proceeds from disposal of property, plant and equipment		–	185,300	–	–
Change in pledged deposits (Advances to)/Repayments from subsidiaries		(4,118,559)	1,496,664	–	–
Interest received		585,195	263,619	(134,832) 16,963	2,568,565 –
Net cash used in investing activities		(8,152,529)	(86,723,179)	(1,413,055)	(97,431,435)
Cash flows from financing activities	(a)				
Advances from subsidiaries		–	–	17,277,271	7,722,749
Proceeds from issuance of shares	18	12,674,300	–	12,674,300	–
Drawdown/(Repayment) of revolving credit purchase		25,200,161	(6,000,000)	–	–
Repayments of hire purchase		(647,605)	(352,985)	–	–
Payment of lease liabilities		(476,043)	(257,847)	(153,250)	(36,177)
Drawdown of term loans		5,549,220	104,342,435	–	101,498,581
Repayments of term loans		(22,767,550)	(126,000)	(16,349,877)	(126,000)
Net cash from financing activities		19,532,483	97,605,603	13,448,444	109,059,153
Net increase in cash and cash equivalents		5,910,408	353,069	2,118,979	584,878
Cash and cash equivalents at the beginning of the financial year/period		(1,116,156)	(1,469,225)	599,925	15,047
Cash and cash equivalents at the end of the financial year/period	16	4,794,252	(1,116,156)	2,718,904	599,925

STATEMENTS OF CASH FLOWS
(CONT'D)

(a) Reconciliation of liabilities arising from financing activities:

	At 1.7.2024 RM	Cash flows RM	←----- Non-cash -----→ Acquisition RM	Others RM	At 30.6.2025 RM
Group					
Hire purchase payables	1,515,591	(647,605)	2,856,001	–	3,723,987
Lease liabilities	3,745,965	(476,043)	2,375,579	(3,511,116)	2,134,385
Revolving credit	–	25,200,161	–	–	25,200,161
Term loans	104,216,435	(17,218,330)	–	–	86,998,105
	109,477,991	6,858,183	5,231,580	(3,511,116)	118,056,638

	At 1.4.2023 RM	Cash flows RM	←----- Non-cash -----→ Acquisition of a subsidiary RM	Acquisition RM	At 30.6.2024 RM
Group					
Hire purchase payables	217,110	(352,985)	490,706	1,160,760	1,515,591
Lease liabilities	3,711,711	(257,847)	231,835	60,266	3,745,965
Revolving credit	6,000,000	(6,000,000)	–	–	–
Term loans	–	104,216,435	–	–	104,216,435
	9,928,821	97,605,603	722,541	1,221,026	109,477,991

	At 1.7.2024 RM	Cash flows RM	←----- Non-cash -----→ Acquisition RM	Others RM	At 30.6.2025 RM
Company					
Term loans	101,372,581	(16,349,877)	–	–	85,022,704
Amounts due to subsidiaries	30,358,198	17,277,271	–	–	47,635,469
Lease liabilities	109,761	(153,250)	953,971	(89,410)	821,072
	131,840,540	774,144	953,971	(89,410)	133,479,245

	At 1.4.2023 RM	Cash flows RM	At 30.6.2024 RM
Company			
Term loans	–	101,372,581	101,372,581
Amounts due to subsidiaries	22,635,449	7,722,749	30,358,198
Lease liabilities	145,938	(36,177)	109,761
	22,781,387	109,059,153	131,840,540

STATEMENTS OF CASH FLOWS (CONT'D)

(b) Total cash outflows for leases:

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Included in net cash used in operating activities:				
Payment relating to short-term leases	–	39,106	–	–
Interest paid in relation to lease liabilities	229,345	261,994	47,449	8,823
Payment relating to leases of low value assets	649,699	2,457,062	–	–
Included in net cash from financing activities:				
Payment of lease liabilities	476,043	257,847	153,250	36,177
Total cash outflows for leases	1,355,087	3,016,009	200,699	45,000

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Varia Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and the principal place of business of the Company is located at 1105, Block E, Level 11, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 9. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 October 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments to MFRSs

The Group and the Company have adopted the following applicable amendments to MFRSs for the current financial year:

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial years beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (Cont'd)

- 2.3.1** The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Company are summarised below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communicates about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial year/period presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

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

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses.

3.3 Financial instruments

Financial assets – subsequent measurements and gains and losses

Debt instrument at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - subsequent measurements and gains and losses

Financial liabilities at amortised cost

The Group and the Company subsequently measure financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Plant and machinery	5 – 10
Motor vehicles	5 – 10
Furniture, fittings and office equipment	3 – 20
Renovation	10 – 20

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 19.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from leasing properties is recognised as other income.

3.6 Investment properties

Investment properties are measured at fair value with gains and losses arising from changes in the fair values of investment properties recognised in profit or loss for the year in which they arise.

3.7 Intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful lives (years)
Customer contracts	Cost incurred	2 – 4

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Inventories

Property under development

The cost of property under development recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

3.9 Revenue and other income

(a) Construction contracts

The Group's construction services under long term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the works performed is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Billings are made with a credit term of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

(b) Property development

The Group develops and sells residential and commercial properties.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

For residential properties, as part of the statutory requirements, the Group's obligation is to rectify any defects that become apparent within the defect liability year of 24 months after the customer takes vacant possession of the building are recognised as a provision.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.9 Revenue and other income (Cont'd)

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

3.10 Deferred tax

When investment properties are carried at fair value in accordance with the material accounting policy information as disclosed in Note 3.6, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of intangible assets

Goodwill and customer contracts are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which intangible assets and goodwill are allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's intangible assets and key assumptions used to determine the recoverable amount for cash-generating units, including sensitivity analysis, are disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

(b) Construction and property development revenue

The Group recognised construction and property development revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction and property development costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction and property development costs incurred, the estimated total construction and property development revenue and expenses, as well as the recoverability of the construction projects.

The Group's construction and property development revenue recognised during the financial year is disclosed in Notes 24 and 25.

(c) Impairment of trade receivables and contract assets

The impairment provisions for the trade receivables and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the trade receivables and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's trade receivables and contract assets are disclosed in Note 34(b)(i).

(d) Impairment of investment in subsidiaries

The Company assesses impairment of investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amounts of investment in subsidiaries may not be recoverable i.e. the carrying amounts of investment in subsidiaries are more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value in use. The value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Company uses its judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including future sales, profit margins and operating expenses. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Company's financial positions and results if the actual cash flows are less than expected.

The carrying amount of the investment in subsidiaries are disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group 2025	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Renovation RM	Right- of-use assets RM	Total RM
Cost						
At 1 July 2024	197,249	3,699,154	2,371,775	4,701,740	4,156,849	15,126,767
Additions	6,260	3,698,436	798,101	3,053,261	2,375,579	9,931,637
Derecognition *	-	-	-	-	(4,093,365)	(4,093,365)
Written off	-	-	-	(4,124,274)	-	(4,124,274)
At 30 June 2025	203,509	7,397,590	3,169,876	3,630,727	2,439,063	16,840,765
Accumulated depreciation						
At 1 July 2024	15,624	1,456,006	1,450,537	2,130,276	875,498	5,927,941
Depreciation charge for the financial year	20,285	879,426	287,541	346,896	530,735	2,064,883
Derecognition *	-	-	-	-	(1,109,035)	(1,109,035)
Written off	-	-	-	(2,266,245)	-	(2,266,245)
At 30 June 2025	35,909	2,335,432	1,738,078	210,927	297,198	4,617,544
Net carrying amount						
At 30 June 2025	167,600	5,062,158	1,431,798	3,419,800	2,141,865	12,223,221

* Derecognition of the right-of-use assets during the financial year was as a result of termination of certain leases.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

Group 2024	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Renovation RM	Right- of-use assets RM	Total RM
Cost						
At 1 April 2023	326,785	1,762,267	2,028,964	4,124,274	3,843,796	12,086,086
Additions	58,460	1,357,825	233,578	294,648	76,997	2,021,508
Disposals	–	(460,546)	(8,515)	–	–	(469,061)
Acquisition of a subsidiary (Note 9(a))	138,789	1,039,608	708,899	282,818	271,681	2,441,795
Derecognition *	–	–	–	–	(35,625)	(35,625)
Written off	(326,785)	–	(591,151)	–	–	(917,936)
At 30 June 2024	197,249	3,699,154	2,371,775	4,701,740	4,156,849	15,126,767
Accumulated depreciation						
At 1 April 2023	324,471	1,327,812	1,742,548	1,769,136	422,816	5,586,783
Depreciation charge for the financial period	17,017	328,824	228,371	349,582	428,249	1,352,043
Disposals	–	(394,045)	(6,453)	–	–	(400,498)
Acquisition of a subsidiary (Note 9(a))	897	193,415	63,862	11,558	43,730	313,462
Derecognition *	–	–	–	–	(19,297)	(19,297)
Written off	(326,761)	–	(577,791)	–	–	(904,552)
At 30 June 2024	15,624	1,456,006	1,450,537	2,130,276	875,498	5,927,941
Net carrying amount						
At 30 June 2024	181,625	2,243,148	921,238	2,571,464	3,281,351	9,198,826

* Derecognition of the right-of-use assets during the financial period was as a result of termination of certain leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

	Furniture, fittings and office equipment RM	Renovation RM	Right-of- use assets RM	Total RM
Company				
2025				
Cost				
At 1 July 2024	39,763	2,273,906	184,001	2,497,670
Additions	16,896	1,278,284	953,972	2,249,152
Written off	–	(2,273,906)	–	(2,273,906)
Derecognition *	–	–	(184,002)	(184,002)
At 30 June 2025	56,659	1,278,284	953,971	2,288,914
Accumulated depreciation				
At 1 July 2024	36,773	2,263,640	81,777	2,382,190
Depreciation charge for the financial year	2,669	32,326	163,540	198,535
Written off	–	(2,265,114)	–	(2,265,114)
Derecognition *	–	–	(102,221)	(102,221)
At 30 June 2025	39,442	30,852	143,096	213,390
Net carrying amount				
At 30 June 2025	17,217	1,247,432	810,875	2,075,524
2024				
Cost				
At 1 April 2023/30 June 2024	39,763	2,273,906	184,001	2,497,670
Accumulated depreciation				
At 1 April 2023	35,373	2,261,799	43,443	2,340,615
Depreciation charge for the financial period	1,400	1,841	38,334	41,575
At 30 June 2024	36,773	2,263,640	81,777	2,382,190
Net carrying amount				
At 30 June 2024	2,990	10,266	102,224	115,480

* Derecognition of the right-of-use assets during the financial year was as a result of termination of certain leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

- (a) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM9,931,637 (2024: RM2,021,508) and RM2,249,152 (2024: Nil) respectively, which are satisfied by the following:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financed by way of hire purchase arrangement	2,856,001	1,160,760	–	–
Financed by way of lease arrangement	2,375,581	76,997	953,972	–
Cash payments	4,619,165	783,751	1,295,180	–
Payables	80,890	–	–	–
	9,931,637	2,021,508	2,249,152	–

- (b) Leased assets are pledged as security for the related lease liabilities as disclosed in Note 19(b).

Motor vehicles of the Group with carrying amount at RM2,085,088 (2024: RM1,864,500) have been pledged as security for hire purchase arrangements as disclosed in Note 19(c).

- (c) The Group and the Company lease leasehold buildings.

Information about leases for which the Group and the Company are lessees is presented below:

	Group Buildings RM	Company Buildings RM
Carrying amount		
At 1 April 2023	3,420,980	140,558
Additions	76,997	–
Acquisition of a subsidiary	227,951	–
Depreciation	(428,249)	(38,334)
Derecognition	(16,328)	–
At 30 June 2024	3,281,351	102,224
Additions	2,375,579	953,972
Depreciation	(530,735)	(163,540)
Derecognition	(2,984,330)	(81,781)
At 30 June 2025	2,141,865	810,875

The Group and the Company lease buildings for their office space and staff apartments. The leases for office space and operation site generally have lease term between 2 to 5 years (2024: 2 to 6 years).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT PROPERTIES

	Freehold land and buildings RM	Leasehold land and buildings RM	Total RM
Group 2025			
At 1 July 2024	1,450,000	10,100,000	11,550,000
Gain arising from fair value adjustment	–	30,000	30,000
At 30 June 2025	1,450,000	10,130,000	11,580,000
2024			
At 1 April 2023	1,270,000	10,060,000	11,330,000
Gain arising from fair value adjustment	180,000	40,000	220,000
At 30 June 2024	1,450,000	10,100,000	11,550,000

(a) Included in freehold and leasehold land and building are properties with carrying amount of RM1,450,000 and RM5,830,000 (2024: RM1,450,000 and RM5,800,000) respectively pledged as security to secure bank overdrafts of the Group as disclosed in Note 19(d).

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

	Group	
	2025 RM	2024 RM
Rental income	255,300	303,200
Direct operating expenses		
- income generating investment properties	(27,825)	(31,618)
- non-income generating investment properties	(5,280)	(4,628)

Fair value information

The fair value of investment properties is determined by directors' estimation and by reference to an external independent property valuer, Laurelcap Sdn. Bhd., with appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The fair value of investment properties of the Group are categorised as Level 3. There are no Level 1 and Level 2 investment properties or transfer between the levels during the financial year ended 30 June 2025 or financial period ended 30 June 2024.

Level 3 fair value

Level 3 fair values of investment properties have been derived using income approach and sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square foot of comparable properties.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVENTORIES

	2025 RM	Group 2024 RM
Non-current:		
At cost		
Property held for development		
- Freehold land	8,065,419	7,292,589
- Development costs	7,008,883	4,015,800
	15,074,302	11,308,389
Current:		
At cost		
Property under development		
- Freehold land	5,501,651	4,974,481
- Development costs	2,884,140	4,027,797
Total inventories (current)	8,385,791	9,002,278
Total inventories (non-current and current)	23,460,093	20,310,667

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM18,763,313 (2024: RM1,176,952).

8. INTANGIBLE ASSETS

	Goodwill RM	Customer contracts RM	Total RM
Group Cost			
At 1 April 2023	–	–	–
Acquisition of a subsidiary (Note 9(a))	369,331,900	74,841,953	444,173,853
At 30 June 2024/30 June 2025	369,331,900	74,841,953	444,173,853
Accumulated amortisation			
At 1 April 2023	–	–	–
Amortisation charge for the financial period	–	10,573,193	10,573,193
At 30 June 2024	–	10,573,193	10,573,193
Amortisation charge for the financial year	–	19,647,588	19,647,588
At 30 June 2025	–	30,220,781	30,220,781
Net carrying amount			
At 30 June 2024	369,331,900	64,268,760	433,600,660
At 30 June 2025	369,331,900	44,621,172	413,953,072

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INTANGIBLE ASSETS

(a) Goodwill

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the Group's construction segment, which is also a reportable operating segment, which represent the lowest level of cash generating unit ("CGU") within the Group at which the goodwill is monitored for internal management purposes.

CGU – Construction

The estimated recoverable amount of the CGU exceeds the carrying amount of the CGU. As a result of the analysis, management did not identify an impairment for this CGU. Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amounts.

Key assumption used in value-in-use calculations

Goodwill is tested for impairment on annual basis by comparing the carrying amount with the recoverable amount of the CGU based on value-in-use. Value-in-use is determined by discounting the future cash flows based on financial budgets approved by management covering five financial years. The key assumptions used for value-in-use calculation are:

(i) Revenue forecast

The revenue forecasted is based on management's estimation taking into consideration secured contracts and anticipated future projects/contracts.

(ii) Gross profit margin

Gross profit margin is based on management's past experience, adjusted for market and economic conditions and internal resource efficiency.

The gross profit margin used in value-in-use calculations is ranging from 12% to 14% (2024: 12% to 13%).

(iii) Discount rate

Discount rate is estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projection is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment.

The discount rate used in value-in-use calculations is 15.17% (2024: 14.33%).

The values assigned to the above key assumptions represent management's assessment of future trends in the industry and are based on both external and internal sources of information.

Based on the sensitivity analysis performed, management believes that there is no reasonable possible change in any of the above key assumptions that would cause the carrying amount of the CGU to be materially higher than its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INTANGIBLE ASSETS (CONT'D)

(b) Customer contracts

Customer contracts arose from acquisition of a subsidiary based on valuations performed by an external independent professional valuer.

An amortisation amounting to RM19,647,588 (2024: RM10,573,193) relating to the customer contracts has been recognised during the financial year/period.

9. INVESTMENT IN SUBSIDIARIES

		Company	
	Note	2025 RM	2024 RM
Unquoted shares, at cost			
At beginning of the financial year/period		511,540,120	61,540,120
Acquisition of a subsidiary	(a)	–	450,000,000
Voluntary winding up	(b)	(809,838)	–
Incorporation of subsidiaries	(c)	6	–
At end of the financial year/period		510,730,288	511,540,120
Less: Accumulated impairment losses			
At beginning of the financial year/period		(15,338,910)	(15,338,910)
Impairment loss during the financial year/period	28	(179,537)	–
Voluntary winding up	(b)	809,838	–
At end of the financial year/period		(14,708,609)	(15,338,910)
		496,021,679	496,201,210

Details of the subsidiaries, all of which have principal place of business and are incorporated in Malaysia, are as follows:

Name of company	Principal place of business/ Country of incorporation	Ownership interest		Principal activities
		2025 %	2024 %	
Pembinaan Teguh Maju Sdn. Bhd.	Malaysia	100	100	Business of general contractors, construction of buildings, residential, roads and other construction activities.
Mewah Kota Sdn. Bhd.	Malaysia	100	100	Contractor for various kinds of civil and structural, mechanical and electrical works and maintenance works.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries, all of which have principal place of business and are incorporated in Malaysia, are as follows: (Cont'd)

Name of company	Principal place of business/ Country of incorporation	Ownership interest		Principal activities
		2025 %	2024 %	
Varia Land Sdn. Bhd. (formerly known as Paramount Ventures Sdn. Bhd.)	Malaysia	100	100	Property development and the business of general civil and structural, mechanical and electrical works.
Merge Properties Sdn. Bhd.	Malaysia	100	100	Property investment.
MEB Realty Sdn. Bhd.	Malaysia	100	100	Property investment.
Merge Readymix Sdn. Bhd. ("MRSB")	Malaysia	^	100	Inactive.
Varia Energy Sdn. Bhd. (formerly known as Merge Energy O & G Sdn. Bhd.)	Malaysia	100	100	Inactive.
Ababil Perkasa Sdn. Bhd.	Malaysia	100	100	Inactive.
Semarak Niaga Lanskap Sdn. Bhd.	Malaysia	100	100	Inactive.
WCEX Holdings Sdn. Bhd. #	Malaysia	100	–	Inactive.
WCEX Expressway Sdn. Bhd. @	Malaysia	100	–	Inactive.
WCEX Maju Sdn. Bhd. ~	Malaysia	100	–	Inactive.

^ Note (b)

Note (c)

@ Note (d)

~ Note (e)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Acquisition of a subsidiary

2024

On 31 July 2023, the Company entered into an agreement to purchase the entire equity interest in PTM. The principal activity of PTM is engage in business of general contractors, construction of buildings, residential, roads and other construction activities.

On 16 November 2023, the Company completed the acquisition of the entire equity interest in PTM for cash consideration of RM100 million and issuance of 350,000,000 new ordinary shares in the Company at an issue price of RM1 per share.

(i) Fair value of consideration transferred:

	RM
Cash consideration	100,000,000
Ordinary shares of the Company	350,000,000
	450,000,000

The fair value of the 350,000,000 ordinary shares issued as part of the consideration paid for PTM was determined on the basis of the closing market price of the Company's ordinary shares of RM1 per share on the acquisition date.

(ii) Fair value of the identifiable assets acquired and liabilities recognised:

	RM
Assets	
Property, plant and equipment (Note 5)	2,128,333
Intangible assets (Note 8)	74,841,953
Contract assets (Note 14)	5,166,408
Contract cost	22,818,849
Trade and other receivables	39,131,290
Cash and bank balances	6,114,989
Total assets	150,201,822
Liabilities	
Deferred tax liabilities (Note 20)	(18,070,150)
Tax liabilities	(3,826,434)
Loans and borrowings	(722,541)
Trade and other payables	(46,914,597)
Total liabilities	(69,533,722)
Adjusted net assets acquired as at acquisition date	80,668,100
Goodwill arising on acquisition (Note 8)	369,331,900
Fair value of consideration transferred	450,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Acquisition of a subsidiary (Cont'd)

2024 (Cont'd)

(iii) Effects of acquisition on cash flows:

	RM
Fair value of consideration transferred	450,000,000
Less: Non-cash consideration	(350,000,000)
Consideration paid in cash	100,000,000
Less: Cash of subsidiary acquired	(6,114,989)
Net cash outflows on acquisition	93,885,011

(iv) Effects of acquisition in statements of comprehensive income:

From the date of acquisition, the subsidiary's contributed revenue and profit net of tax are as follows:

	RM
Revenue	164,767,628
Profit for the financial period	19,564,978

If the acquisition had occurred on 1 April 2023, the consolidated results for the financial period ended 30 June 2024 would have been as follows:

	RM
Revenue	327,400,794
Profit for the financial period	1,269,953

(b) Voluntary winding up

On 10 May 2024, an application was made to the Companies Commission of Malaysia to strike off MRSB pursuant to Section 550 of the Companies Act 2016 and MRSB was dissolved on 12 August 2024.

- (c) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Holdings Sdn. Bhd. ("WHSB") with an issued and paid-up capital of RM2 comprising 2 ordinary shares. The intended principal activity of WHSB is investment holding and engaged in the design, construction, management, operation and development of expressway and managing its toll operations.
- (d) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Expressway Sdn. Bhd. ("WESB") with an issued and paid-up capital of RM2 comprising 2 ordinary shares. The intended principal activity of WESB is engaged in the design, construction, management, operation and development of expressway and managing its toll operations.
- (e) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Maju Sdn. Bhd. ("WMSB") with an issued and paid-up capital of RM2 comprising 2 ordinary shares. The intended principal activity of WMSB is provision of highway maintenance services.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

10. OTHER INVESTMENT

	2025 RM	Group 2024 RM
Financial assets through profit or loss		
Unquoted ordinary shares, at fair value	100,000	100,000
Less: Accumulated impairment loss	(100,000)	(100,000)
	–	–

11. TRADE RECEIVABLES

	2025 RM	Group 2024 RM
Trade receivables		
External parties	103,867,421	89,496,097
Retention sums	40,893,712	25,851,538
	144,761,133	115,347,635

(a) Trade receivables are non-interest bearing and normal credit terms offered by the Group range from 30 to 90 days (2024: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

(a) Retention sums receivable are expected to be collected as follows:

	2025 RM	Group 2024 RM
Within one year	16,700,080	3,531,540
Later than one year	24,193,632	22,319,998
	40,893,712	25,851,538

(c) The information about the credit exposure are disclosed in Note 34(b)(i).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current:				
Prepayments	3,148,118	–	–	–
Current:				
Advance payment to suppliers	16,877,231	779,108	–	–
Other receivables	806,516	46,257	–	–
Deposits	12,505,666	21,700,995	59,100	9,700
Prepayments	10,760,792	2,035,023	616,132	1,443,925
	40,950,205	24,561,383	675,232	1,453,625
Total other receivables (non-current and current)	44,098,323	24,561,383	675,232	1,453,625

13. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Amounts due from subsidiaries	9,015,765	8,880,933
Less: Accumulated impairment losses	(8,364,470)	(8,279,651)
	651,295	601,282
Amounts due to subsidiaries	(47,635,469)	(30,358,198)

The amounts due from/(to) subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable upon demand and is expected to be settled in cash.

The reconciliation of movement in the impairment of amounts due from subsidiaries is as follows:

	Company	
	2025 RM	2024 RM
At beginning of the financial year/period	8,279,651	4,518,239
Charge for the financial year/period (Note 28)	84,819	3,761,412
At end of the financial year/period	8,364,470	8,279,651

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. CONTRACT ASSETS/(LIABILITIES)

	2025 RM	Group 2024 RM
Contract assets relating to construction service contracts	51,275,754	29,375,936
Contract asset relating to property development contract	6,116,109	17,465
	57,391,863	29,393,401
Contract liabilities relating to construction service contracts	(54,433,865)	(43,210,610)

(a) Contract assets

The contract assets represent the Group's rights to consideration for the work performed for the properties sold and construction contracts but yet to be billed. Contract assets are transferred to receivables when the Group issues progress billings to the customers. Payments is typically expected within 30 to 90 days (2024: 30 to 90 days).

(b) Contract liabilities

The contract liabilities represent progress billings and deposits received for construction contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over the period of ranging from 1 year to 5 years (2024: 1 year to 3 years).

(c) Significant changes in contract balances

	2025		2024	
	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM
Group				
Revenue recognised that was included in contract liabilities at the beginning of the financial year/period	–	42,976,131	–	1,337,125
Increase due to consideration received from customers, but revenue not recognised	–	(54,199,386)	–	(17,710,355)
Increase due to acquisition of a subsidiary	–	–	28,951,106	(23,784,698)
Increase as a result of changes in the measure of progress	56,205,721	–	10,889,957	–
Transfer from contract assets recognised at the beginning of the year/period to receivables	(28,207,259)	–	(14,712,348)	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(d) Revenue recognised in relation to contract balances

	2025 RM	Group 2024 RM
Revenue recognised that was included in contract liabilities at the beginning of the financial year/period	42,976,131	1,337,125

Revenue recognised that was included in the contract liabilities balance at the beginning of the year/period represented primarily revenue from the construction service contracts when percentage of completion increases.

15. CONTRACT COSTS

	2025 RM	Group 2024 RM
Current:		
Costs to obtain contracts	294,617	146,369

Costs to obtain contracts relate to incremental commission fees paid to intermediaries as a result of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. During the financial year, the amortisation of contract costs of the Group recognised was RM803,983 (2024: RM16,497).

16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	18,725,103	2,876,259	2,718,904	599,925
Short-term deposits	6,939,832	2,821,273	–	–
Deposits, cash and bank balances as reported in the statements of financial position	25,664,935	5,697,532	2,718,904	599,925
Less: Pledged deposits	(6,939,832)	(2,821,273)	–	–
Less: Bank overdrafts (Note 19)	(13,930,851)	(3,992,415)	–	–
Cash and cash equivalents as reported in the statements of cash flows	4,794,252	(1,116,156)	2,718,904	599,925

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

- (a) Included in deposits placed with licensed banks of the Group are an amount of RM6,939,832 (2024: RM2,821,273) has been pledged to banks as security for banking facilities granted as disclosed in Note 19.
- (b) Included in cash and bank balances of the Group are amount of RM796,710 (2024: RM639,269) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1996 and therefore restricted from use in other operations.
- (c) Deposits placed with licensed bank of the Group bear interest at rates ranging from 1.84% to 2.80% (2024: 1.86% to 2.80%) per annum with maturity period ranging from 1 month to 12 months (2024: 1 month to 12 months).

17. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	2025 RM	Group 2024 RM
At beginning of the financial year/period	–	5,800,000
Disposal	–	(5,800,000)
At end of the financial year/period	–	–

On 18 January 2023, Varia Land Sdn. Bhd. (formerly known as Paramount Ventures Sdn. Bhd.) ("VLSB"), a wholly-owned subsidiary of the Company has entered into a sales and purchase agreement with ID Ten Sdn. Bhd. for the disposal of one unit of 3-storey detached factory with a 3-storey office block for a total sale consideration of RM6 million.

In the previous financial period, on 20 August 2023, VLSB fulfilled the conditions precedent and had completed the disposal of the one unit of 3-storey detached factory.

18. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2025 Unit	2024 Unit	2025 RM	2024 RM
Issued and fully paid up (no par value):				
At beginning of the financial year/period	417,000,000	67,000,000	381,712,508	31,712,508
Issued during the financial year/period	15,500,000	350,000,000	12,674,300	350,000,000
At end of the financial year/period	432,500,000	417,000,000	394,386,808	381,712,508

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. SHARE CAPITAL (CONT'D)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company issued 8,000,000 new ordinary shares at a price of RM0.7621 and 7,500,000 new ordinary shares at a price of RM0.8770 per ordinary shares pursuant to the Company's private placement.

In the previous financial period, the Company issued 350,000,000 new ordinary shares at a price of RM1 per ordinary shares as partial discharge of the purchase consideration for the acquisition of the 100% equity interest in Pembinaan Teguh Maju Sdn. Bhd. pursuant to a share sale agreement dated 31 July 2023.

The new ordinary shares issued during the financial year/period rank pari passu in all respects with the existing ordinary shares of the Company.

19. LOANS AND BORROWINGS

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Non-current:					
Secured					
Term loans	(a)	57,338,704	86,908,699	57,338,704	86,906,000
Lease liabilities	(b)	1,618,748	3,473,738	646,336	78,947
Hire purchase payables	(c)	2,770,919	1,060,769	–	–
		61,728,371	91,443,206	57,985,040	86,984,947
Current:					
Secured					
Term loans	(a)	29,659,401	17,307,736	27,684,000	14,466,581
Lease liabilities	(b)	515,637	272,227	174,736	30,814
Hire purchase payables	(c)	953,068	454,822	–	–
Bank overdrafts	(d)	13,930,851	3,992,415	–	–
Revolving credit	(e)	25,200,161	–	–	–
		70,259,118	22,027,200	27,858,736	14,497,395
Total loans and borrowings					
Term loans	(a)	86,998,105	104,216,435	85,022,704	101,372,581
Lease liabilities	(b)	2,134,385	3,745,965	821,072	109,761
Hire purchase payables	(c)	3,723,987	1,515,591	–	–
Bank overdrafts	(d)	13,930,851	3,992,415	–	–
Revolving credit	(e)	25,200,161	–	–	–
		131,987,489	113,470,406	85,843,776	101,482,342

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

19. LOANS AND BORROWINGS (CONT'D)

(a) Term loans

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current				
Not later than one year	29,659,401	17,307,736	27,684,000	14,466,581
Non-current				
Later than one year and not later than five years	57,338,704	86,908,699	57,338,704	86,906,000
Total term loans	86,998,105	104,216,435	85,022,704	101,372,581

The term loans of the Group and of the Company bear interest at rates ranging from 5.70% to 6.70% and at a rate of 6.70% (2024: 5.70% to 6.70% and 6.70%) respectively per annum.

The term loans of the Group and of the Company are secured and supported as follows:

- (i) fixed deposits;
- (ii) legal charge over shares of a subsidiary;
- (iii) joint and several guarantee by certain directors of the Company;
- (iv) legal charge over pledge shares of the Company;
- (v) legal charge over project of a subsidiary; and
- (vi) corporate guarantee by the Company.

(b) Lease liabilities

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Minimum lease payments:				
Not later than one year	585,600	469,400	223,200	36,000
Later than one year and not later than 5 years	1,840,100	1,614,100	716,100	84,000
Later than 5 years	–	3,041,280	–	–
	2,425,700	5,124,780	939,300	120,000
Less: Future finance charges	(291,315)	(1,378,815)	(118,228)	(10,239)
Present value of minimum lease payments	2,134,385	3,745,965	821,072	109,761
Present value of minimum lease payments:				
Not later than one year	515,637	272,227	174,736	30,814
Later than one year and not later than 5 years	1,618,748	949,106	646,336	78,947
Later than 5 years	–	2,524,632	–	–
	2,134,385	3,745,965	821,072	109,761

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. LOANS AND BORROWINGS (CONT'D)

(c) Hire purchase payables

Hire purchase payables of the Group bears effective interest at rates ranging from 4.28% to 5.62% (2024: 4.46% to 5.57%) per annum and are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 5(b).

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	2025 RM	Group 2024 RM
Minimum lease payments:		
Not later than one year	1,100,074	496,462
Later than one year and not later than 5 years	2,972,310	1,164,675
Later than 5 years	50,135	–
	4,122,519	1,661,137
Less: Future finance charges	(398,532)	(145,546)
Present value of minimum lease payments	3,723,987	1,515,591
Present value of minimum lease payments		
Not later than one year	953,068	454,822
Later than one year and not later than 5 years	2,721,350	1,060,769
Later than 5 years	49,569	–
	3,723,987	1,515,591

(d) Bank overdrafts

The bank overdrafts of the Group bear interest at a rate of 7.95% (2024: 7.95%) per annum and are secured and supported as follows:

- (i) legal charge over freehold and leasehold land and building of a subsidiary as disclosed in Note 6;
- (ii) cash collateral;
- (iii) deed of assignment of contract proceeds between the subsidiary and the bank; and
- (iv) corporate guarantee by the Company.

(e) Revolving credit

The revolving credit of the Group bears interest at rates ranging from 5.18% to 8.06% (2024: Nil) per annum and are secured and supported as follows:

- (i) deposits with licensed banks; and
- (ii) corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

20. DEFERRED TAX LIABILITIES

	2025 RM	Group 2024 RM
At beginning of the financial year/period	15,777,031	221,447
Acquisition of a subsidiary (Note 9(a))	–	18,070,150
Recognised in profit or loss (Note 30)	(4,712,421)	(2,514,566)
At end of the financial year/period	11,064,610	15,777,031

This is in respect of estimated deferred tax liabilities arising from temporary differences as follows:

	2025 RM	Group 2024 RM
Deferred tax liabilities		
Revaluation of investment properties	247,447	244,447
Differences between the carrying amount of property, plant and equipment and their tax base	108,081	108,081
Intangible assets	10,709,082	15,424,503
	11,064,610	15,777,031

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	2025 RM	Group 2024 RM
Deferred tax assets		
Unabsorbed capital allowances	228,178	16,804
Unutilised tax losses	51,216,273	40,799,091
Other taxable temporary differences	1,955	–
	51,446,406	40,815,895
Potential deferred tax assets at 24% (2024: 24%)	12,347,137	9,795,815

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. DEFERRED TAX LIABILITIES (CONT'D)

The unutilised tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	2025 RM	Group 2024 RM
2028	24,586,078	24,453,488
2029	1,035,568	1,035,568
2030	1,269,352	1,269,352
2031	1,149,096	1,149,096
2033	9,589,628	9,589,627
2034	3,301,960	3,301,960
2035	10,284,591	–
	51,216,273	40,799,091

21. PROVISION FOR ONEROUS CONTRACT

	2025 RM	Group 2024 RM
At beginning of the financial year/period	–	2,573,787
Recognised in profit or loss (Note 28)	–	500,000
Utilised during the financial year/period	–	(3,073,787)
At end of the financial year/period	–	–

(a) Onerous contract

During the ordinary course of business, the Group entered into contract with a customer to construct elevated water tank. The cost of construction materials and costs to complete are higher than the prices fixed when initially entering into the contracts. As such, a provision is recognised for the expected costs required to fulfil the requirements in excess of the contract revenue.

22. TRADE PAYABLES

	2025 RM	Group 2024 RM
Trade payables		
External parties	66,912,753	55,164,605
Retention sums	39,940,232	19,944,367
Accrual payables	26,624,960	4,528,735
	133,477,945	79,637,707

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. TRADE PAYABLES (CONT'D)

- (a) Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 90 days (2024: 30 to 90 days).
- (b) Retention sums payable are expected to be settled as follows:

	2025 RM	Group 2024 RM
Within one year	11,938,448	7,713,663
Later than one year	28,001,784	12,230,704
	39,940,232	19,944,367

23. OTHER PAYABLES, ACCRUALS AND DEPOSITS

		2025 RM	Group 2024 RM	2025 RM	Company 2024 RM
Current:					
Other payables		181,412	9,583,450	18,839	7,500
Amount due to a director	(a)	6,000	–	–	–
Accruals		331,407	1,176,764	132,800	127,800
Deposits		146,900	53,500	–	–
		665,719	10,813,714	151,639	135,300

- (a) Amount due to a director is unsecured, non-interest bearing, repayable upon demand and are expected to be settled in cash.

24. REVENUE

	Financial year from 1.7.2024 to 30.6.2025 RM	Group Financial period from 1.4.2023 to 30.6.2024 RM
Over time:		
Construction contracts	523,940,617	229,551,736
Property development	22,259,128	1,396,016
Maintenance services	458,068	1,458,355
Rental income	113,200	133,500
Total revenue	546,771,013	232,539,607

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. REVENUE (CONT'D)

Transaction price allocated to the remaining performance obligations

As of 30 June 2025, the aggregate amount of the transaction price allocated to the remaining performance obligation for construction and property development contracts are RM2,603,638,757 (2024: RM2,754,972,181) and RM10,723,836 (2024: RM32,982,964) respectively, the Group will recognise this revenue progressively, which is expected to occur over the next 1 month to 50 months (2024: 12 to 62 months) and next 8 months (2024: 14 months) respectively.

25. COST OF SALES

	Group	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Cost of construction services	469,429,120	196,526,917
Cost of sales of property development units	19,567,296	1,193,449
Cost of sales of maintenance services	458,068	1,458,355
Direct operating expenses of investment properties	13,237	17,095
Total cost of sales	489,467,721	199,195,816

26. FINANCE INCOME

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Interest income on deposits and bank	585,195	263,619	16,963	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. FINANCE COSTS

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Interest expense on:				
- bank overdrafts	1,122,882	388,314	–	–
- hire purchase	109,428	40,175	–	–
- lease liabilities	229,345	261,994	47,449	8,823
- revolving credit	110,255	58,557	–	–
- term loans	6,249,342	4,283,967	6,124,910	4,211,925
- others	82,481	118,731	–	–
Total finance costs	7,903,733	5,151,738	6,172,359	4,220,748

28. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

		Group		Company	
	Note	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Auditors' remuneration					
- Statutory audit:					
- Baker Tilly Monteiro Heng PLT		292,000	269,500	119,000	114,000
- Other services					
- Baker Tilly Monteiro Heng PLT		31,200	8,000	31,200	8,000
- Member firms of Baker Tilly International		29,063	254,967	3,375	230,307
Bad debts written off		31,800	–	–	–
Depreciation of property, plant and equipment	5	2,064,883	1,352,043	198,535	41,575
Employee benefits expense	29	19,154,674	14,550,522	2,077,287	1,951,932
Expense relating to short-term lease		–	39,106	–	–
Expense relating to leases of low value assets		649,699	2,457,062	–	–
Fair value gain on investment properties		(30,000)	(220,000)	–	–
Gain on disposal of:					
- non-current asset held for sale		–	(200,000)	–	–
- property, plant and equipment		–	(116,737)	–	–
Gain on lease derecognition		(526,788)	(403)	(7,630)	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax: (Cont'd)

	Note	Group		Company	
		Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Impairment losses on:					
- amounts due from subsidiaries		–	–	84,819	3,761,412
- investment in subsidiaries		–	–	179,537	–
Property, plant and equipment written off		1,858,029	13,384	8,792	–
Provision for onerous contract	21	–	500,000	–	–
Rental income from premises		(142,100)	(239,378)	–	–

29. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Wages and salaries	17,178,048	13,303,922	1,919,239	1,800,213
Defined contribution plan	1,976,626	1,246,600	158,048	151,719
	19,154,674	14,550,522	2,077,287	1,951,932

Included in employee benefits expense are:

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Directors of the Company				
Executive directors:				
- Other emoluments	2,220,813	1,206,916	995,672	1,206,916
Non-executive directors:				
- Fees	309,000	295,258	309,000	295,258
- Other emoluments	282,141	89,000	282,141	89,000
	591,141	384,258	591,141	384,258

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in employee benefits expense are: (Cont'd)

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Directors of the subsidiaries				
Executive directors:				
- Fees	367,645	–	–	–
- Other emoluments	328,091	929,352	–	–
	3,507,690	2,520,526	1,586,813	1,591,174

30. TAX EXPENSE

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Statements of comprehensive income				
Current income tax				
Based on results for the current financial year/period	8,715,911	2,529,561	–	–
Adjustment in respect of prior financial period/year	96,332	(107,186)	–	–
	8,812,243	2,422,375	–	–
Real property gain tax	–	553,700	–	–
Deferred tax (Note 20)				
Reversal of temporary differences	(4,712,421)	(2,515,566)	–	–
Adjustment in respect of prior financial period/year	–	1,000	–	–
	(4,712,421)	(2,514,566)	–	–
Tax expense	4,099,822	461,509	–	–

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year/period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. TAX EXPENSE (CONT'D)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Profit/(Loss) before tax	6,187,533	1,225,808	(11,158,232)	(4,924,278)
Tax at the applicable rate of 24% (2024: 24%)	1,485,008	294,194	(2,677,976)	(1,181,827)
Tax effect arising from:				
- non-deductible expenses	541,467	2,303,362	2,677,976	1,181,827
- non-taxable income	(570,107)	(2,658,425)	–	–
- deferred tax assets not recognised during the financial year/period	2,551,322	100,064	–	–
- deferred tax recognised at real property gain tax rate	(4,200)	(25,200)	–	–
- income subject to real property gain tax	–	560,480	–	–
Adjustment in respect of prior period/year:				
- current tax	96,332	(113,966)	–	–
- deferred tax	–	1,000	–	–
Tax expense	4,099,822	461,509	–	–

31. EARNINGS PER SHARE

- (a) Basic earnings per share are based on the profit for the financial year/period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year/period, calculated as follows:

	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Profit attributable to owners of the Company	2,087,711	764,299
	Unit	Unit
Weighted average number of ordinary shares for basic earnings per share	430,969,863	238,553,611

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. EARNINGS PER SHARE (CONT'D)

- (a) Basic earnings per share are based on the profit for the financial year/period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year/period, calculated as follows: (Cont'd)

	Financial year from 1.7.2024 to 30.6.2025 Sen	Financial period from 1.4.2023 to 30.6.2024 Sen
Basic earnings per share attributable to ordinary equity holders of the Company	0.48	0.32

- (b) Diluted earnings per ordinary share

The diluted earnings per share of the Group for the financial year ended 30 June 2025 and financial period ended 30 June 2024 are same as the basic earnings per share of the Group as the Company has no dilutive potential ordinary shares.

32. CORPORATE GUARANTEE

	2025 RM	Group 2024 RM
Corporate guarantee granted to subsidiaries		
- construction projects	12,380,784	12,380,784
- property development project	5,017,764	3,102,900
	17,398,548	15,483,684

33. RELATED PARTIES

- (a) Identity of related parties

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

Related parties of the Company include:

- (i) Subsidiaries as disclosed in Note 9;
- (ii) Entities in which directors have substantial financial interests; and
- (iii) Key management personnel of the Group and of the Company, comprises persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. RELATED PARTIES (CONT'D)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Paid and payable to related parties		
Rental fees	978,285	–
Renovation	2,328,797	–

	Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Paid and payable to a subsidiary		
Rental fees	24,000	45,000
Paid and payable to related parties		
Rental fees	176,700	–
Renovation	1,278,284	–

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 13 and 23.

(c) Compensation of key management personnel

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Directors of the Company				
Executive directors:				
- Other emoluments	2,220,813	1,206,916	995,672	1,206,916
Non-executive directors:				
- Fees	309,000	295,258	309,000	295,258
- Other emoluments	282,141	89,000	282,141	89,000
	591,141	384,258	591,141	384,258

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. RELATED PARTIES (CONT'D)

(c) Compensation of key management personnel (Cont'd)

	Group		Company	
	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM	Financial year from 1.7.2024 to 30.6.2025 RM	Financial period from 1.4.2023 to 30.6.2024 RM
Other key management personnel				
Short-term employee benefits	1,311,737	1,050,370	–	–
Post-employment employee benefits	98,082	96,520	–	–
	1,409,819	1,146,890	–	–
	4,221,773	2,738,064	1,586,813	1,591,174

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost

	Carrying amount RM	Amortised cost RM
2025		
Financial assets		
Group		
Trade receivables	144,761,133	144,761,133
Other receivables and deposits, excluding prepayments and advance payment to suppliers	16,460,300	16,460,300
Deposits, cash and bank balances	25,664,935	25,664,935
	186,886,368	186,886,368
Company		
Other receivables and deposits, excluding prepayments	59,100	59,100
Amounts due from subsidiaries	651,295	651,295
Deposits, cash and bank balances	2,718,904	2,718,904
	3,429,299	3,429,299

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

(i) Amortised cost (Cont'd)

	Carrying amount RM	Amortised cost RM
2025		
Financial liabilities		
Group		
Trade payables	133,477,945	133,477,945
Other payables, accruals and deposits	665,719	665,719
Loans and borrowings, excluding lease liabilities	129,853,104	129,853,104
	263,996,768	263,996,768
Company		
Other payables and accruals	151,639	151,639
Amounts due to subsidiaries	47,635,469	47,635,469
Loans and borrowings, excluding lease liabilities	85,022,704	85,022,704
	132,809,812	132,809,812
2024		
Financial assets		
Group		
Trade receivables	115,347,635	115,347,635
Other receivables and deposits, excluding prepayments and advance payment to suppliers	21,747,252	21,747,252
Deposits, cash and bank balances	5,697,532	5,697,532
	142,792,419	142,792,419
Company		
Other receivables and deposits, excluding prepayments	9,700	9,700
Amounts due from subsidiaries	601,282	601,282
Deposits, cash and bank balances	599,925	599,925
	1,210,907	1,210,907

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

(i) Amortised cost (Cont'd)

	Carrying amount RM	Amortised cost RM
2024		
Financial liabilities		
Group		
Trade payables	79,637,707	79,637,707
Other payables, accruals and deposits	10,813,714	10,813,714
Loans and borrowings, excluding lease liabilities	109,724,441	109,724,441
	200,175,862	200,175,862
Company		
Other payables and accruals	135,300	135,300
Amounts due to subsidiaries	30,358,198	30,358,198
Loans and borrowings, excluding lease liabilities	101,372,581	101,372,581
	131,866,079	131,866,079

(b) Financial risk management

The Group's and the Company's financial risk management objective is to optimise value for their shareholders whilst minimising the potential adverse impact arising from interest rates and the unpredictability of the financial markets. The Group's and the Company's policy is not to engage in speculative transactions.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

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

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Corporate Finance.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets

The Group uses the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on the days past due. The expected credit losses also incorporated forward looking information. However, there is no material impact arising from application of simplified approach to record the lifetime expected credit losses.

The information about the credit risk exposure on the Group's trade receivables and contract assets using the provision matrix are as follows:

	Expected credit loss rate %	Gross carrying amount at default RM	Impairment losses RM
Group 2025			
Contract assets	0%	57,391,863	–
Trade receivables			
Current	0%	87,031,542	–
1 to 30 days past due	0%	3,702,005	–
31 to 60 days past due	0%	6,064,890	–
61 to 90 days past due	0%	19,059,841	–
91 to 120 days past due	0%	7,936,372	–
More than 121 days past due	0%	20,966,483	–
	0%	144,761,133	–
	0%	202,152,996	–
Group 2024			
Contract assets	0%	29,393,401	–
Trade receivables			
Current	0%	65,867,798	–
1 to 30 days past due	0%	16,034,348	–
31 to 60 days past due	0%	7,787,208	–
61 to 90 days past due	0%	9,841,315	–
91 to 120 days past due	0%	9,139,462	–
More than 121 days past due	0%	6,677,504	–
	0%	115,347,635	–
	0%	144,741,036	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

The Company monitors the results of the subsidiaries in determining the recoverability of these intercompany balances.

For other financial assets (including deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk

As at the end of the reporting period, 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.

Credit risk concentration profile

As at the end of the reporting period, approximately 40% (2024: 70%) of the Group's trade receivables were due from 2 major customers (2024: 4 major customers).

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting year. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Other financial assets

For other financial assets cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Financial guarantee

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM29,964,046 (2024: RM7,328,940) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 34(b)(ii). As at the reporting date, there was no indication that the subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligation when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from payables and loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meets their liabilities when they fall due.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM	Contractual undiscounted cash flows			Total RM
		On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
2025					
Group					
Bank overdrafts	13,930,851	13,930,851	–	–	13,930,851
Hire purchase payables	3,723,987	1,100,074	2,972,310	50,135	4,122,519
Lease liabilities	2,134,385	585,600	1,840,100	–	2,425,700
Term loans	86,998,105	29,659,401	57,338,704	–	86,998,105
Revolving credit	25,200,161	25,200,161	–	–	25,200,161
Trade payables	133,477,945	133,477,945	–	–	133,477,945
Other payables, accruals and deposits	665,719	665,719	–	–	665,719
	266,131,153	204,619,751	62,151,114	50,135	266,821,000
Company					
Amounts due to subsidiaries	47,635,469	47,635,469	–	–	47,635,469
Lease liabilities	821,072	223,200	716,100	–	939,300
Term loans	85,022,704	27,684,000	57,338,704	–	85,022,704
Other payables, accruals and deposits	151,639	151,639	–	–	151,639
Financial guarantees	–	29,964,046	–	–	29,964,046
	133,630,884	105,658,354	58,054,804	–	163,713,158

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

		←----- Contractual undiscounted cash flows -----→			
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
2024					
Group					
Bank overdrafts	3,992,415	3,992,415	–	–	3,992,415
Hire purchase payables	1,515,591	496,462	1,164,675	–	1,661,137
Lease liabilities	3,745,965	469,400	1,614,100	3,041,280	5,124,780
Term loans	104,216,435	17,307,736	86,908,699	–	104,216,435
Trade payables	79,637,707	79,637,707	–	–	79,637,707
Other payables, accruals and deposits	10,813,714	10,813,714	–	–	10,813,714
	203,921,827	112,717,434	89,687,474	3,041,280	205,446,188
Company					
Amounts due to subsidiaries	30,358,198	30,358,198	–	–	30,358,198
Lease liabilities	109,761	36,000	84,000	–	120,000
Term loans	101,372,581	14,466,581	86,906,000	–	101,372,581
Other payables, accruals and deposits	135,300	135,300	–	–	135,300
Financial guarantees	–	7,328,940	–	–	7,328,940
	131,975,840	52,325,019	86,990,000	–	139,315,019

(iii) Interest rate risk

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

The Group's exposure to interest rate risk arises primarily from bank overdrafts, revolving credit and term loans.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit/(loss) for the financial year would have been RM479,291 (2024: RM411,194) and RM323,086 (2024: RM385,216) respectively higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement

The carrying amounts of cash and bank balances and deposits placed with licensed banks, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of floating rate term loans are reasonable approximation of fair value as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfer between the levels during the current financial year and previous financial years.

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments, other than those with carrying amounts reasonably approximate to their fair values:

	Carrying amount RM	Fair value of financial instruments not carried at fair value Level 3 RM
Group		
2025		
Financial liabilities		
Hire purchase payables	3,723,987	3,610,797
2024		
Financial liabilities		
Hire purchase payables	1,515,591	1,487,437

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of the hire purchase is determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services, and has seven reportable operating segments as follows:

Investment holding	:	Investment holding.
Construction	:	Construction of civil and structural, mechanical and electrical works and project management.
Property investment	:	Property investment.
Property development	:	Development of housing and commercial units for sales to house and shop purchasers.
Others	:	Inactive companies.

Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment results

Segment performance is used to measure performance as the Group's Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segments asset is measured based on all assets of a segment other than intangible assets and tax assets, as included in the internal reports that are reviewed by the Group's Managing Director.

Segment liabilities

The total of segment liability is measured based on all liabilities of a segment other than deferred tax liabilities and tax liabilities as included in the internal reports that are reviewed by the Group's Managing Director.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. SEGMENT INFORMATION (CONT'D)

2025	Note	Investment holding RM	Construction RM	Property investment RM	Property development RM	Others RM	Adjustments and eliminations RM	Consolidation RM
Revenue								
External sales		-	524,398,685	113,200	22,259,128	-	-	546,771,013
Results								
Segment results		(5,002,836)	21,026,802	78,120	(658,438)	(1,194,362)	(743,215)	13,506,071
Finance income		16,963	559,077	-	9,155	-	-	585,195
Finance costs		(6,172,359)	(1,149,902)	-	(590,189)	(7,285)	16,002	(7,903,733)
(Loss)/Profit before tax		(11,158,232)	20,435,977	78,120	(1,239,472)	(1,201,647)	(727,213)	6,187,533
Tax expense		-	(8,809,093)	(21,975)	32,233	(16,408)	4,715,421	(4,099,822)
(Loss)/Profit for the financial year		(11,158,232)	11,626,884	56,145	(1,207,239)	(1,218,055)	3,988,208	2,087,711
Assets								
Segment assets	a	502,142,634	319,653,452	8,850,339	38,708,079	3,416,090	(553,296,409)	319,474,185
Intangible assets		-	-	-	-	-	413,953,072	413,953,072
Tax assets		-	746,930	15,467	126,864	1,426	-	890,687
Total assets							(139,343,337)	734,317,944
Liabilities								
Segment liabilities	b	133,630,884	228,799,269	3,645,054	52,315,564	4,062,438	(101,888,191)	320,565,018
Deferred tax liabilities		-	148,929	194,599	5,000	7,000	10,709,082	11,064,610
Tax liabilities		-	134,283	-	-	-	-	134,283
Total liabilities							(91,179,109)	331,763,911

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

35. SEGMENT INFORMATION (CONT'D)

2025	Note	Investment holding RM	Construction RM	Property investment RM	Property development RM	Others RM	Adjustments and eliminations RM	Consolidation RM
Other segment information								
Bad debts written off		-	-	-	31,800	-	-	31,800
Depreciation of property, plant and equipment	c	198,535	1,473,077	-	501,370	32,443	(140,542)	2,064,883
Fair value gain on investment properties		-	(20,000)	-	-	(10,000)	-	(30,000)
Gain on lease derecognition		(7,630)	(21,602)	-	(522,987)	(7,680)	33,111	(526,788)
Impairment losses on:								
- amounts due from subsidiaries	d	84,819	-	-	-	-	(84,819)	-
- investment in subsidiaries	d	179,537	-	-	-	-	(179,537)	-
- amounts due from related companies	d	-	18,600,314	-	-	-	(18,600,314)	-
Interest income		(16,963)	(559,077)	-	(9,155)	-	-	(585,195)
Interest expense		6,172,359	1,149,902	-	590,189	7,285	(16,002)	7,903,733
Property, plant and equipment written off		8,792	1	-	1,804,617	-	44,619	1,858,029
Rental income from premises		-	(8,100)	-	(169,600)	(68,400)	104,000	(142,100)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. SEGMENT INFORMATION (CONT'D)

2024	Note	Investment holding RM	Construction RM	Property investment RM	Property development RM	Others RM	Adjustments and eliminations RM	Consolidation RM
Revenue								
External sales		-	231,647,169	133,500	1,396,016	-	(637,078)	232,539,607
Results								
Segment results		(9,234,427)	25,620,008	264,090	(3,330,477)	13,760	(6,955,408)	6,377,546
Finance costs		(4,220,748)	(162,416)	-	(797,983)	(9,157)	38,566	(5,151,738)
(Loss)/Profit before tax		(13,455,175)	25,457,592	264,090	(4,128,460)	4,603	(6,916,842)	1,225,808
Tax expense		-	(2,398,824)	(52,158)	(532,589)	(15,504)	2,537,566	(461,509)
(Loss)/Profit for the financial period		(13,455,175)	23,058,768	211,932	(4,661,049)	(10,901)	(4,379,276)	764,299
Assets								
Segment assets	a	498,971,522	223,678,211	8,852,524	31,782,519	3,305,907	(550,384,870)	216,205,813
Intangible assets		-	-	-	-	-	433,600,660	433,600,660
Tax assets		-	778,900	21,129	94,631	357	-	895,017
Total assets							(116,784,210)	650,701,490
Liabilities								
Segment liabilities	b	131,975,840	144,619,165	3,709,046	44,150,532	2,734,137	(80,056,283)	247,132,437
Deferred tax liabilities		-	146,929	194,599	5,000	6,000	15,424,503	15,777,031
Total liabilities							(64,631,780)	262,909,468

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

35. SEGMENT INFORMATION (CONT'D)

2024	Note	Investment holding RM	Construction RM	Property investment RM	Property development RM	Others RM	Adjustments and eliminations RM	Consolidation RM
Other segment information								
Depreciation of property, plant and equipment	c	41,575	680,888	-	745,051	50,643	(166,114)	1,352,043
Fair value gain on investment properties		-	(40,000)	(180,000)	-	-	-	(220,000)
Gain on disposal of non-current asset held for sale		-	-	-	(200,000)	-	-	(200,000)
Gain on disposal of plant and equipment		-	(116,737)	-	-	-	-	(116,737)
Gain on lease modification		-	(403)	-	-	-	-	(403)
Impairment losses on amounts due from subsidiaries		-	-	-	3,761,412	-	(3,761,412)	-
Interest income		-	(256,052)	-	(7,567)	-	-	(263,619)
Interest expense		4,220,748	162,416	-	797,983	9,157	(38,566)	5,151,738
Property, plant and equipment written off		-	-	-	1	13,383	-	13,384
Provision for onerous contract		-	500,000	-	-	-	-	500,000
Rental income from premises		-	(9,000)	-	(356,678)	(68,700)	195,000	(239,378)
Reversal of impairment losses on amounts due from related companies	d	-	(69,732)	-	-	(45,000)	114,732	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. SEGMENT INFORMATION (CONT'D)

Reconciliation of reportable segment revenue, profit or loss, and other material items are as follows:

- (a) The following items are deducted from segment assets to arrive at total assets reported in consolidated statement of financial position:

	2025 RM	2024 RM
Amounts due to subsidiaries	(47,635,469)	(30,358,198)
Amounts due from related companies	(8,987,966)	(22,687,882)
Amounts due from subsidiaries	(651,295)	(601,282)
Intra group transactions	–	(536,298)
Investment in subsidiaries	(496,021,679)	(496,201,210)
	(553,296,409)	(550,384,870)

- (b) The following items are deducted from segment liabilities to arrive at total liabilities reported in consolidated statement of financial position:

	2025 RM	2024 RM
Amount due to holding company	9,015,765	8,880,933
Amount due to related companies	45,236,961	40,336,563
Amounts due to subsidiaries	47,635,469	30,358,198
Intra group transactions	(4)	480,589
	101,888,191	80,056,283

- (c) The depreciation of property, plant and equipment is eliminated.
- (d) Impairment losses on amounts due from subsidiaries, impairment loss on investment in subsidiaries and reversal of impairment losses on amounts due from related companies are eliminated.

Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

Information about major customers

Major customers' information is revenue from transactions with a single external customer amount to ten percent or more of the Group's revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer, and a government and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

For construction segment, revenue from three customers (2024: three customers) represented RM 327,418,847 (2024: RM128,263,816) for the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Holdings Sdn. Bhd. ("WHSB") with an issued and paid-up capital of RM2 comprising 2 ordinary shares. The intended principal activity of WHSB is investment holding and engaged in the design, construction, management, operation and development of expressway and managing its toll operations.
- (b) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Expressway Sdn. Bhd. ("WESB") with an issued and paid-up capital of RM2 comprising 2 ordinary shares. The intended principal activity of WESB is engaged in the design, construction, management, operation and development of expressway and managing its toll operations.
- (c) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Maju Sdn. Bhd. ("WMSB") with an issued and paid-up capital of RM2 comprising 2 ordinary shares. The intended principal activity of WMSB is provision of highway maintenance services.

37. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 8 October 2025, the Company lodged the required information and relevant documents in relation to the Sukuk Murabahah Programme with the Securities Commission Malaysia ("SC") pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC.

The Sukuk Murabahah Programme entails multiple issuances of rated and/or unrated Islamic Medium Term Notes ("IMTN") with a perpetual tenure and the IMTNs issued shall have a tenure of at least 1 year and up to 30 years.

The proceeds from issuance of the Sukuk Murabahah shall be utilised by the Company for the following Shariah-compliant purposes:

- (a) to finance the capital expenditure of the Group;
- (b) to refinance all or part of any existing Shariah-compliant and/or existing outstanding conventional indebtedness incurred or future Shariah-compliant indebtedness to be undertaken by the Group;
- (c) to finance the Company's working capital and other general corporate purposes;
- (d) to finance the Group's projects, investments and asset development, replacement and/or acquisitions that are being undertaken and/or to be undertaken in the future;
- (e) to fund the fees, costs, expenses and all other amounts payable under or in relation to the Sukuk Murabahah; and
- (f) to fund any minimum required balance in any designated account, if applicable.

38. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong capital base and safeguard the Group's and the Company's ability to continue as going concerns, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group and the Company manage their capital structure by monitoring the capital and net debt on an ongoing basis. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2025 and financial period ended 30 June 2024.

The Group and the Company monitor capital using net debt-to-equity ratio, which is net debt divided by total equity. Net debt comprises loans and borrowings and payables, less deposits, cash and bank balances whereas total equity represents the equity attributable to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. CAPITAL MANAGEMENT (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loans and borrowings	131,987,489	113,470,406	85,843,776	101,482,342
Trade payables	133,477,945	79,637,707	–	–
Other payables, accruals and deposits	665,719	10,813,714	151,639	135,300
Contract liabilities	54,433,865	43,210,610	–	–
Amounts due to subsidiaries	–	–	47,635,469	30,358,198
	320,565,018	247,132,437	133,630,884	131,975,840
Less: Deposits, cash and bank balances	(25,664,935)	(5,697,532)	(2,718,904)	(599,925)
Net debts	294,900,083	241,434,905	130,911,980	131,375,915
Total equity	402,554,033	387,792,022	368,511,750	366,995,682
Total equity and total debts	697,454,116	629,226,927	499,423,730	498,371,597
Net debt-to-equity ratio	0.73	0.62	0.36	0.36

39. COMPARATIVE FIGURES

- (a) In the previous period, the Group and the Company changed their financial year end from 31 March to 30 June and made up their financial statements for the 15 months year from 1 April 2023 to 30 June 2024. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial year.
- (b) The following figures have been reclassified to conform with the current financial year's presentation.

	As previously classified RM	Reclassifications RM	As reclassified RM
2024			
Group			
Statements of financial position			
Trade payables	75,108,972	4,528,735	79,637,707
Other payables, accruals and deposits	15,342,449	(4,528,735)	10,813,714

STATEMENT BY DIRECTORS

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

We, **DATUK LAU BENG WEI** and **DATUK LAU BENG SIN**, being two of the directors of Varia Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 89 to 148 are drawn up in accordance with the 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 positions of the Group and of the Company as at 30 June 2025 and of their financial performance and cash flows for the financial year then ended.

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

.....
DATUK LAU BENG WEI
Director

.....
DATUK LAU BENG SIN
Director

Date: 27 October 2025

STATUTORY DECLARATION

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

I, **RAIZITA BINTI AHMAD @ HARUN**, being the officer primarily responsible for the financial management of Varia Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 89 to 148 are 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.

.....
RAIZITA BINTI AHMAD @ HARUN

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 27 October 2025.

Before me,

.....
HADINUR BIN MOHD SYARIF
W761
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VARIA BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Varia Berhad, which comprise the statements of financial positions as at 30 June 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 89 to 148.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with the 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Group

Intangible assets (Note 8 to the financial statements)

The Group has significant balances of intangible assets, which comprise goodwill and customer contracts arising from the acquisition of a subsidiary. The accounting policy of the Group is to test goodwill for impairment annually. The goodwill amount is required to be allocated to the cash generating units ("CGU") for impairment testing purposes.

We focused on this area because the Group's determination of recoverable amount of each intangible asset requires the exercise of significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- understanding the methodology and method adopted by the directors in measuring the recoverable amount;
- discussing with the Group on their assessment and consideration of the current economic and business environment in relation to key inputs such as discount rates, forecast growth rates, inflation rates and gross profit margins;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

Revenue and corresponding costs recognition for construction activities (Notes 24 and 25 to the financial statements) Revenue and corresponding costs recognition for property development activity (Notes 24 and 25 to the financial statements)

The Group recognise the revenue from construction activities and property development activity over the period of contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs and property development costs incurred for work performed to date bear to the estimated total costs for each project (input method).

We focused on this area because the Group's revenue recognition for construction activities and property development activity requires the exercise of significant judgement to be made by the directors, particularly in determining the progress towards satisfaction of a performance obligation, the extent of the construction costs and property development costs incurred, the estimated total construction contracts and total property development revenue and costs, as well as the recoverability of the construction contracts projects and the development projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures on selected projects included, among others:

- reading the terms and conditions of agreements with selected customers;
- understanding the Group's process in preparing project budgets and the calculation of the progress towards anticipated satisfaction of a performance obligation;
- comparing the directors' key assumptions to contractual terms and discussing with project manager;
- comparing the Group's computed progress towards complete satisfaction of performance obligation for identified projects against architect or consultant certificate; and
- checking the mathematical computation of the recognised revenue for the projects during the financial year.

Trade receivables and contract assets (Notes 11 and 14)

The Group has significant trade receivables and contract assets as at 30 June 2025, which include certain amounts which are long outstanding.

We focused on this area because the Group's expected credit losses assessment requires the exercise of significant judgement to be made by the directors, especially in determining the risk of default and expected credit loss rate, which are based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures on selected projects included, among others:

- understanding the significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and other collection or legal reports prepared by the Group;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and the directors' explanation on recoverability with significantly past due balances; and
- testing the mathematical computation of expected credit losses as at the end of the reporting period.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Company

Investment in subsidiaries (Note 9 to the financial statements)

The Company assesses impairment of investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amounts of investment in subsidiaries may not be recoverable i.e. the carrying amounts of investment in subsidiaries are more than the recoverable amount.

We focused on this area because the Company's determination of the recoverable amount requires significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- understanding the Company's process flows in preparing cash flows projections;
- discussing the Company's assumptions with directors in relation to key assumptions;
- testing the mathematical computation of the impairment assessments; and
- performing a sensitivity analysis around the key assumptions.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the 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 going concerns, 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Zu Wei
No. 03545/12/2026 J
Chartered Accountant

Kuala Lumpur

Date: 27 October 2025

LIST OF PROPERTIES

AS AT 30 JUNE 2025

<i>Location</i>	<i>Description (Existing Use)</i>	<i>Tenure (Age of Building)</i>	<i>Land Area (Built-Up Area) sq. ft.</i>	<i>Net Book Value as at 30.06.2025 RM</i>	<i>Date of Valuation/ Acquisition</i>
Lots 727, 728 and 729 No. 230, 231 and 232 Jalan Kota Kenari 2 Taman Kota Kenari 09000 Kulim Kedah Darul Aman	3 units of 2-storey shop house (rented)	Freehold (27 years)	5,769 (7,741)	1,450,000	30.06.2025
Lot 043(E) No. 30 Jalan Matahari AA U5/AA Seksyen U5 Bandar Pinggiran Subang 40150 Shah Alam Selangor Darul Ehsan	3-storey shop office (vacant)	Leasehold Expiring on 25.01.2095 (26 years)	3,200 (8,680)	1,400,000	30.06.2025
Lot 071(E) No. 29 Jalan Matahari AA U5/AA Seksyen U5 Bandar Pinggiran Subang 40150 Shah Alam Selangor Darul Ehsan	3-storey shop office (1 st & 2 nd floor rented)	Leasehold Expiring on 25.01.2095 (26 years)	3,200 (8,680)	1,400,000	30.06.2025
Lot 080 No. 16 Jalan Dinar D U3/D Seksyen U3 Taman Subang Perdana 40150 Shah Alam Selangor Darul Ehsan	4-storey shop office (ground, 2 nd & 3 rd floor rented)	Leasehold Expiring on 25.09.2095 (20 years)	1,765 (7,000)	1,700,000	30.06.2025
Lot PT8833 No. 2, Lorong Naluri Sukma 8/2 42300 Bandar Puncak Alam Selangor Darul Ehsan	Double Storey Terrace House (rented)	Leasehold Expiring on 08.07.2109 (22 years)	3,387 (2,316)	540,000	30.06.2025
Lot PT8610 No. 80, Lorong Naluri Sukma 8/11 42300 Bandar Puncak Alam Selangor Darul Ehsan	Double Storey Terrace House (rented)	Leasehold Expiring on 08.07.2109 (22 years)	3,340 (2,316)	570,000	30.06.2025
Lot 0034, No. 18, Jalan Uranus, AH/U5/AH Taman Subang Impian Seksyen U5 40150 Shah Alam Selangor Darul Ehsan	3 Storey Shop Office (vacant)	Leasehold Expiring on 03.04.2099 (25 years)	1,760 (5,280)	1,100,000	30.06.2025

LIST OF PROPERTIES (CONT'D)

<i>Location</i>	<i>Description (Existing Use)</i>	<i>Tenure (Age of Building)</i>	<i>Land Area (Built-Up Area) sq. ft.</i>	<i>Net Book Value as at 30.06.2025 RM</i>	<i>Date of Valuation/ Acquisition</i>
No. 9, Lorong Cakera Purnama 2/1, 42300 Bandar Puncak Alam Selangor Darul Ehsan	Double Storey house (rented)	Leasehold Expiring on 14.07.2109 (15 years)	1,400 (1,469)	420,000	30.06.2025
No. 15, Lintang Bukit Jambul 3 11900 Bayan Lepas Penang	Double Storey Semi-Detached house (vacant)	Leasehold Expiring on 07.11.2100 (5 years)	5,070 (4,651)	2,600,000	30.06.2025
Lot 5723, Pekan Panchor, Daerah Seremban Negeri Sembilan	Industrial Land (vacant)	Leasehold Expiring on 19.01.2096	23,412	400,000	30.06.2025

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2025

Type of securities : Ordinary shares
Issued shares : 432,500,000 ordinary shares
Voting rights : One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
Less than 100 shares	18	1.99	365	0.00
100 to 1,000 shares	309	34.10	258,033	0.06
1,001 to 10,000 shares	313	34.55	1,557,081	0.36
10,001 to 100,000 shares	177	19.54	6,462,221	1.49
100,001 to less than 5% of issued shares	85	9.38	119,179,200	27.56
5% and above of issued shares	4	0.44	305,043,100	70.53
Total	906	100.00	432,500,000	100.00

THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1.	Datuk Lau Beng Sin	51,325,000	11.87
2.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Datuk Lau Beng Wei	46,500,000	10.75
3.	Datuk Lau Beng Wei	37,000,000	8.55
4.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Datuk Lau Beng Sin	30,000,000	6.94
5.	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Private Wealth Management for Datuk Lau Beng Wei	22,500,000	5.20
6.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Teo Boon Hing	21,000,000	4.85
7.	Teo Boon Hing	19,000,000	4.39
8.	AmSec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – AmBank (M) Berhad for Datuk Lau Beng Wei	15,008,000	3.47
9.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Shanmuga a/l Indran	15,000,000	3.47
10.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Pang Fong Mui	12,000,000	2.77
11.	Varia Engineering & Services Sdn Bhd	12,000,000	2.77
12.	AmSec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – AmBank (M) Berhad for Datuk Lau Beng Sin	11,547,000	2.67
13.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Chee Kiang	9,000,000	2.08
14.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teo Boon Hing	9,000,000	2.08
15.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Varia Engineering & Services Sdn Bhd	9,000,000	2.08

ANALYSIS OF SHAREHOLDINGS (CONT'D)

THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholder	No. of Shares	%
16.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Lee Chee Kiang	8,250,000	1.91
17.	AmSec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – AmBank (M) Berhad for Varia Engineering & Services Sdn Bhd	8,113,100	1.88
18.	Norsamira binti Mohd Zooki	6,000,000	1.39
19.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Ang Hung Teck	5,775,000	1.33
20.	Neoh Soon Hiong	5,719,600	1.32
21.	Pang Fong Mui	5,267,000	1.22
22.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ang Hung Teck	5,020,000	1.16
23.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Datuk Lau Beng Wei	5,000,000	1.16
24.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Datuk Lau Beng Wei	5,000,000	1.16
25.	Shanmuga a/I Indran	3,495,400	0.81
26.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Datuk Lau Beng Sin	3,050,000	0.71
27.	Cerdik Cempaka Sdn Bhd	2,956,900	0.68
28.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yeo Ann Seck	2,760,000	0.64
29.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Aun Hooi	2,664,700	0.62
30.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ang Hung Teck	2,600,000	0.60
Total		391,551,700	90.53

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Datuk Lau Beng Wei	131,008,000	30.29	29,113,100 ⁽¹⁾	6.73 ⁽¹⁾
Datuk Lau Beng Sin	95,922,000	22.18	29,113,100 ⁽¹⁾	6.73 ⁽¹⁾
Teo Boon Hing	49,000,000	11.33	–	–
Varia Engineering & Services Sdn Bhd	29,113,100	6.73	–	–

Note:

(1) Deemed interest by virtue of his interest in Varia Engineering & Services Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

DIRECTORS' SHAREHOLDINGS

Name of Director	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Dato' Sri Dr. Mohd Nizom bin Sairi	—	—	—	—
Datuk Lau Beng Wei	131,008,000	30.29	29,113,100 ⁽¹⁾	6.73 ⁽¹⁾
Datuk Lau Beng Sin	95,922,000	22.18	29,113,100 ⁽¹⁾	6.73 ⁽¹⁾
Datuk Manivannan a/l Ganapathy	—	—	20,000 ⁽²⁾	0.005 ⁽²⁾
Datuk Wira Roslan bin Ab Rahman	—	—	—	—
Datuk Kok Boon Kiat	—	—	—	—
Shahrizam bin A Shukor	—	—	—	—
Sharifah Rafidah binti Wan Mansor	—	—	—	—
Lailatul Azma binti Abdullah	—	—	—	—

Notes:

(1) Deemed interest by virtue of his interest in Varia Engineering & Services Sdn Bhd.

(2) Deemed interest by virtue of shareholdings held by spouse.

NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Eighth Annual General Meeting ("28th AGM") of Varia Berhad ("Company") will be held at Ballroom 2, Level LG, Eastin Hotel Kuala Lumpur, No. 13, Jalan 16/11, 46350 Petaling Jaya, Selangor on Thursday, 27 November 2025 at 10:00 a.m., or any adjournment thereof, for the following purposes:-

AS ORDINARY BUSINESS

- | | | |
|----|--|--|
| 1. | To receive the Audited Financial Statements of the Company for financial year ended 30 June 2025 together with the Reports of the Directors and Auditors thereon. | <i>Please refer to Explanatory Notes</i> |
| 2. | To approve the payment of Directors' fees of up to RM462,000 from November 2025 until the conclusion of the next Annual General Meeting of the Company. | <i>Resolution 1</i> |
| 3. | To approve the payment of Directors' benefits of up to RM140,000 from November 2025 until the conclusion of the next Annual General Meeting of the Company. | <i>Resolution 2</i> |
| 4. | To re-elect the following Directors who are retiring pursuant to Article 108 of the Company's Constitution:-

(a) Datuk Lau Beng Wei
(b) Datuk Wira Roslan bin Ab Rahman

Datuk Manivannan a/l Ganapathy who retires in accordance with Article 108 of the Company's Constitution, has expressed his intention not to seek re-election. Accordingly, he will retain office until the close of the 28 th AGM. | <i>Resolution 3</i>
<i>Resolution 4</i> |
| 5. | To re-elect Lailatul Azma binti Abdullah who is retiring pursuant to Article 115 of the Company's Constitution. | <i>Resolution 5</i> |
| 6. | To re-appoint Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to fix their remuneration. | <i>Resolution 6</i> |

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions, with or without modification, as Ordinary Resolutions:-

- | | | |
|----|---|---------------------|
| 7. | ORDINARY RESOLUTION
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"THAT subject to the Companies Act 2016, the Constitution of the Company and the approvals of the Securities Commission, Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares in the Company from time to 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 issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Securities and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Article 71 of the Constitution of the Company, approval be and is hereby given to waive the pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking pari-passu in all respects with the existing ordinary shares arising from any issuance and allotment of shares pursuant to this approval." | <i>Resolution 7</i> |
|----|---|---------------------|

NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING (CONT'D)

8. **ORDINARY RESOLUTION PROPOSED SHARE BUY-BACK AUTHORITY**

Resolution 8

"THAT subject to the compliance with the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:-

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; or
- (iv) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting; whichever occurs first.

AND THAT the Directors of the Company be authorised to give effect to the Proposed Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to take such steps and do all such acts and things as they may deem fit and expedient in the best interest of the Company."

NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING (CONT'D)

9. ORDINARY RESOLUTIONS PROPOSED ALLOCATION OF SHARE ISSUANCE SCHEME ("SIS") OPTIONS TO THE DIRECTORS OF THE COMPANY

"THAT approval be and is hereby given to the Board of Directors to authorise the SIS Committee, at any time and from time to time during the duration of the SIS, to offer and grant options to each of the following Directors, up to an aggregate of 2,595,000 of the total number of options available under the SIS, subject to the passing of the relevant resolutions on the re-election of Directors, where applicable:-

(a)	Dato' Sri Dr Mohd Nizom bin Sairi	<i>Resolution 9</i>
(b)	Datuk Lau Beng Wei	<i>Resolution 10</i>
(c)	Datuk Lau Beng Sin	<i>Resolution 11</i>
(d)	Datuk Wira Roslan bin Ab Rahman	<i>Resolution 12</i>
(e)	Datuk Kok Boon Kiat	<i>Resolution 13</i>
(f)	Shahrizam bin A Shukor	<i>Resolution 14</i>
(g)	Sharifah Rafidah binti Wan Mansor	<i>Resolution 15</i>
(h)	Lailatul Azma binti Abdullah	<i>Resolution 16</i>

Provided always that:-

- (i) not more than ten percent (10%) of the allocation to be issued under the SIS shall be allocated to any eligible person who, either singly or collectively through persons connected with them, holds twenty percent (20%) or more of the total number of issued shares of the Company;
- (ii) not more than sixty percent (60%) of the allocation to be issued under the SIS shall be allocated, in aggregate, to the Directors who are eligible persons; and
- (iii) the Directors and members of the SIS Committee do not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any, provided always that it is in accordance with the By-Laws of the SIS, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") or any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time."

10. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

CHIN FOONG PING
(MAICSA 7044276 / SSM PC No. 202008002708)
Company Secretary

Petaling Jaya
30 October 2025

NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING (CONT'D)

NOTES:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate, speak and vote in his stead. A member shall be entitled to appoint more than one (1) proxy but not more than two (2) proxies provided that the member specifies the proportion of the member's shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. 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.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation, either under its Common Seal or under the hand of a duly authorised officer or attorney of the corporation.
5. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> ("e-Proxy Lodgement") not less than forty-eight (48) hours before the time appointed for holding of the 28th AGM or at any adjournment thereof. Please refer to the Administrative Notes of the 28th AGM for further information on the e-Proxy Lodgement.
6. For purpose of determining members' eligibility to attend the 28th AGM, only members whose names appear in the Record of Depositors as at 20 November 2025 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on his behalf.

EXPLANATORY NOTES

1. To receive the Audited Financial Statements

Agenda 1 is meant for discussion only as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Ordinary Resolutions 1 and 2 - To approve the payment of Directors' fees and benefits

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to directors of a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Board had proposed the Directors' fees and benefits, comprises of meeting attendance allowance, payable to Non-Executive Directors as follows:-

- (a) The proposed Ordinary Resolution 1 is to seek shareholders' approval for the payment of Directors' fees of up to RM462,000 to the Non-Executive Directors from November 2025 until the conclusion of the next Annual General Meeting of the Company and to cater for appointment of new directors, to be payable on a monthly basis in arrears after each month of completed services of the Director.
- (b) The proposed Ordinary Resolution 2 is to seek shareholders' approval for the payment of Directors' benefits of up to RM140,000 from November 2025 until the conclusion of the next Annual General Meeting of the Company, which is derived from the estimated meeting attendance allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for Board of Directors, Audit Committee, Risk Management Committee and general meetings.

NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES (CONT'D)

3. Ordinary Resolutions 3 to 5 – Re-election of Directors

The profiles of the Directors seeking re-election are set out in the Profile of Directors section of this Annual Report 2025.

The Board has endorsed the Nomination and Remuneration Committee's recommendation on the re-election of the retiring Directors. Based on the Board assessment carried out, the Directors have vast experiences in their respective practices, and hence, they would be able to contribute and provide the Board with a diverse set of experience, expertise, skill and competence. Also, the Independent Director has fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore, able to bring independent and objective judgement to the Board.

The retiring Directors had abstained from deliberations and decisions on their re-election at the Board meeting.

4. Ordinary Resolution 7 - Authority to Allot and Issue Shares

The proposed Ordinary Resolution 7 is to seek a renewal of general mandate for authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016. If the resolution is passed, it will empower the Directors of the Company to issue and allot shares up to an amount not exceeding in total 10% of the issued share capital of the Company, for such purposes as the Directors would consider in the best interest of the Company. This is to avoid any delay and cost involved in convening a general meeting for such issuance of shares. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting or will subsist until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

The general mandate for issue of shares will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placement of shares for the purpose of repayment of bank borrowings, funding future investment and working capital.

The proposed Ordinary Resolution 7 is also seeking the shareholders' waiver of their pre-emptive rights under Section 85 of the Companies Act 2016 and to allow the Directors to allot and issue new shares without first offering the new shares to the existing shareholders of the Company pursuant to this general mandate.

The Company did not issue any new shares pursuant to the general mandate obtained at the 27th AGM.

5. Ordinary Resolution 8 – Proposed Share Buy-Back Authority

The proposed resolution, if passed, will empower the Company to purchase up to ten per centum (10%) of the total issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next annual general meeting.

Further information on the Proposed Share Buy-Back Authority is set out in the Statement to Shareholders dated 30 October 2025 of the Company which can be downloaded from our Company's website at www.varia.com.my.

6. Ordinary Resolutions 9 to 16 – Proposed allocation of SIS options to Directors

The proposed Ordinary Resolutions 9 to 16, if passed, will give authority to the Board to authorise the SIS Committee, at any time and from time to time throughout the duration of the SIS, to offer and grant to the Directors of the Company, the options to subscribe for such number of shares to be issued under the SIS.

A Director shall not participate in discussions or deliberations regarding his/her own allocation under the SIS.

NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING (CONT'D)

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, a member of the Company:-

- (a) consents to the collection, use and disclosure of the member's personal data by the Company and/or its agents for the purposes of processing and administering proxies and representatives appointed for the AGM (including any adjournment thereof), preparing and compiling attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and enabling the Company and/or its agents to comply with applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose");
- (b) warrants that, where the member discloses the personal data of his/her proxy(ies) and/or representative(s) to the Company and/or its agents, the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the collection, use and disclosure of their personal data by the Company and/or its agents for the Purpose; and
- (c) agrees to indemnify the Company against any penalties, liabilities, claims, demands, losses or damages arising from the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF 28TH AGM

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

1. Details of individuals who are standing for election as Directors (excluding Directors standing for a re-election)

There are no individuals who are standing for election as Directors at the forthcoming 28th AGM of the Company, other than the Directors who are standing for re-election pursuant to Resolutions No. 3 to 5 as set out in the Notice of 28th AGM.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note for Resolution 7 of the Notice of 28th AGM.

ADMINISTRATIVE NOTES

Meeting : 28th Annual General Meeting ("28th AGM" or "Meeting")
Day / Date : Thursday, 27 November 2025
Time : 10:00 a.m.
Venue : Ballroom 2, Level LG, Eastin Hotel Kuala Lumpur, No. 13, Jalan 16/11, 46350 Petaling Jaya, Selangor

A. APPOINTMENT OF PROXY

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, participate, speak and vote in his stead. A member shall be entitled to appoint more than one (1) proxy but not more than two (2) proxies provided that the member specifies the proportion of the member's shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
2. To be valid, the instrument appointing a proxy shall be executed either in hard copy form or by electronic means, and shall be deposited with the Company not less than forty-eight (48) hours before the time appointed for the holding of the Meeting or any adjournment thereof:-

(i) In hardcopy form

The Proxy Form shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

(ii) By electronic means

Alternatively, the Proxy Form may be submitted electronically either through the Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com> or by e-mail to bsr.helpdesk@boardroomlimited.com.

3. Members may register online with the BSIP and lodge the Proxy Form electronically by following the steps set out below:-

Members who have already registered with the BSIP are not required to register again and may proceed directly to Step 2 to lodge the Proxy Form electronically.

**Step 1 – Register online with BSIP
(for first time registration only)**

- (i) Access website at <https://investor.boardroomlimited.com>
- (ii) To sign up as a user, the member shall click <<Register>> and create a unique User ID and password.
- (iii) The member shall complete the registration and upload a soft copy of his/her MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format.
- (iv) Enter a valid email address and wait for Boardroom's email verification.
- (v) Upon verification of the member's e-mail address, the system will automatically redirect the member to BSIP Online for mobile number verification. By selecting <<Request OTP Code>>, a One-Time Password ("OTP") will be sent to the registered mobile number. The member is required to enter the OTP Code and select <<Enter>> in order to complete the process.
- (vi) The registration shall be verified and approved within one (1) business day, following which an e-mail notification will be sent to the member.

ADMINISTRATIVE NOTES (CONT'D)

Step 2 – E-Proxy lodgement

For Individual Unitholders, Corporate Shareholders

- (a) Open an internet browser. latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
- (b) Log in to BSIP website at <https://investor.boardroomlimited.com>
- (c) Login your BSIP account with your registered email address and password.
- (d) Click “**Meeting Event**” and select <<**VARIA BERHAD 28TH ANNUAL GENERAL MEETING**>> from the list of companies and click <<**Enter**>>.

By Shareholder and Corporate Holder	By Nominees Company
- Select the Company that you are representing - for Corporate Account user only. - Go to “PROXY” and click on <<Submit eProxy Form>>. - Click on <<Submit eProxy Form>>. - Enter your 9 digits CDS account number and number of securities held. - Select your proxy/proxies appointment – either the Chairman of the Meeting or individual named proxy/proxies. - Read and accept the Terms and Conditions and click <<Next>>. - Enter the required particulars of your proxy/proxies. - Indicate your voting instructions for each Resolution – FOR, AGAINST, ABSTAIN or DISCRETIONARY. If DISCRETIONARY is selected, your proxy/proxies will decide on your votes during poll at the meeting. - Review and confirm your proxy/proxies appointment and click <<Submit>>. - Download or print the eProxy Form as acknowledgement.	- Select the Nominees Company that you are representing. - Go to “PROXY” and click on <<Submit eProxy Form>>. - Click on “Download Excel Template” to download. - Insert the appointment of proxy/proxies for each CDS account with the necessary data and voting instructions in the downloaded excel file template. Ensure inserted data is correct and orderly. - Proceed to upload the duly completed excel file. - Review and confirm your proxy/proxies appointment and click <<Submit>>. - Download or print the eProxy form as acknowledgement.

Please note that the closing date and time to submit your proxy/proxies form is by **Tuesday, 25 November 2025 at 10:00 a.m.**

ADMINISTRATIVE NOTES (CONT'D)

4. A member who wishes to participate in the Meeting in person shall not submit any Proxy Form for the Meeting, as participation in the Meeting together with any proxy(ies) appointed by the member shall not be permitted.
5. Where a member has submitted a Proxy Form prior to the Meeting and subsequently elects to participate personally in the Meeting, the member shall notify the Share Registrar in the following method to revoke the proxy(ies) so appointed, by giving not less than forty-eight (48) hours' notice before the commencement of the Meeting.

eProxy Form	Physical Proxy Form
- Go to "Meeting Event" and select <<VARIA BERHAD 28TH ANNUAL GENERAL MEETING>> from the list of companies and click <<Enter>>. - Go to "PROXY" and click on <<Submit Another eProxy Form>>. - Go to "Submitted eProxy Form List" and click <<View>> for the eProxy form. - Click <<Cancel/Revoke>> at the bottom of the eProxy form. - Click <<Proceed>> to confirm.	Please write in to bsr.helpdesk@boardroomlimited.com to revoke the appointment of proxy/proxies.

6. Upon such revocation, the proxy(ies) concerned shall not be permitted to participate in the Meeting, and the member is advised to inform the proxy(ies) accordingly.

B. REGISTRATION ON THE DAY OF THE MEETING

1. The registration counter shall open at 8:30 a.m. on Thursday, 27 November 2025. Members or proxies are required to produce their original MyKad or, in the case of non-Malaysians, their Passport, for verification purposes at the point of registration. The original MyKad or Passport shall be returned to the member or proxy immediately after verification.
2. No person shall be permitted to register on behalf of another person, even if in possession of the other person's original MyKad or Passport. Upon completion of verification, members or proxies shall write their names and sign the Attendance List placed at the registration table, following which they shall be issued with identification wristbands for voting purposes.

C. RECORD OF DEPOSITORS

Only members whose names appear on the Record of Depositors of the Company as at **20 November 2025** shall be entitled to attend, participate, speak and vote at the 28th AGM.

D. VOTING PROCEDURE

1. The voting at the 28th AGM shall be conducted by way of poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn Bhd as the Poll Administrator to conduct the poll by electronic voting and an Independent Scrutineer to verify the results of the poll.
2. Upon the conclusion of the voting session for the 28th AGM, the Independent Scrutineer shall verify the poll results, following which the Chairman shall declare whether the resolutions have been duly passed.

ADMINISTRATIVE NOTES (CONT'D)

E. RECORDING / PHOTOGRAPHY

By participating in the Meeting, members acknowledge and agree that no part of the proceedings shall be recorded, photographed, stored in any retrieval system, reproduced, transmitted or uploaded in any form or on any platform, including social media, whether by mechanical, electronic, photocopying, recording or any other means, without the prior written consent of the Company. The Company reserves the right to institute appropriate legal proceedings against any person who contravenes this provision.

F. NO DOOR GIFT

No door gift shall be provided to members or proxies attending the 28th AGM.

G. ENQUIRY

Any questions regarding the Meeting may be directed to the Company's Share Registrar during office hours, Mondays to Fridays from 8:30 a.m. to 5:30 p.m. (excluding public holidays), prior to the Meeting:-

Boardroom Share Registrars Sdn Bhd

Address : 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia

General line : +603-7890 4700 (Helpdesk)

Fax number : +603-7890 4670

Email : bsr.helpdesk@boardroomlimited.com

H. PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:-

- (a) consents to the collection, use and disclosure of the member's personal data by the Company and/or its agents for the purposes of processing and administering proxies and representatives appointed for the Meeting (including any adjournment thereof), preparing and compiling attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof) and enabling the Company and/or its agents to comply with applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose");
- (b) warrants that, where the member discloses the personal data of his/her proxy(ies) and/or representative(s) to the Company and/or its agents, the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the collection, use and disclosure of their personal data by the Company and/or its agents for the Purpose; and
- (c) agrees to indemnify the Company against any penalties, liabilities, claims, demands, losses or damages arising from the member's breach of warranty.

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VARIA BERHAD
199701004603 (420099-X)
(Incorporated in Malaysia)

PROXY FORM
28TH ANNUAL GENERAL MEETING

No. of Shares held	
CDS Account No.	
Mobile No.	
Email Address	

I/We _____
(Full name as per MyKad/Passport/Certificate of Incorporation in capital letters)

MyKad/Passport/Company Registration No. _____

of (full address) _____

being a member of VARIA BERHAD ("Company"), hereby appoint the following person(s):-

Full Name (in capital letters)	MyKad/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Mobile No.		

and/or

Full Name (in capital letters)	MyKad/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Mobile No.		

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held at Ballroom 2, Level LG, Eastin Hotel Kuala Lumpur, No. 13, Jalan 16/11, 46350 Petaling Jaya, Selangor on Thursday, 27 November 2025 at 10:00 a.m., and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees		
2.	To approve the payment of Directors' benefits		
3.	To re-elect Datuk Lau Beng Wei as Director		
4.	To re-elect Datuk Wira Roslan bin Ab Rahman as Director		
5.	To re-elect Lailatul Azma binti Abdullah as Director		
6.	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors		
7.	To authorise the allotment and issuance of new shares pursuant to Sections 75 and 76 of the Companies Act 2016		
8.	To approve the Proposed Share Buy-Back Authority		
9.	To approve the allocation of Share Issuance Scheme ("SIS") options to Dato' Sri Dr Mohd Nizom bin Sairi		
10.	To approve the allocation of SIS options to Datuk Lau Beng Wei		
11.	To approve the allocation of SIS options to Datuk Lau Beng Sin		
12.	To approve the allocation of SIS options to Datuk Wira Roslan bin Ab Rahman		
13.	To approve the allocation of SIS options to Datuk Kok Boon Kiat		
14.	To approve the allocation of SIS options to Shahrizam bin A Shukor		
15.	To approve the allocation of SIS options to Sharifah Rafidah binti Wan Mansor		
16.	To approve the allocation of SIS options to Lailatul Azma binti Abdullah		

Please indicate with an "X" in the space provided above on how you wish your vote to be cast. Unless otherwise instructed, the proxy will vote or abstain from voting on the resolutions at his/her discretion.

Signed this..... day of 2025

.....
Signature/Common Seal of Member



Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate, speak and vote in his stead. A member shall be entitled to appoint more than one (1) proxy but not more than two (2) proxies provided that the member specifies the proportion of the member's shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint more than one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. 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.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation, either under its Common Seal or under the hand of a duly authorised officer or attorney of the corporation.
5. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or via electronic means through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> ("e-Proxy Lodgement") not less than forty-eight (48) hours before the time appointed for holding of the 28th AGM or at any adjournment thereof. Please refer to the Administrative Notes of the 28th AGM for further information on the e-Proxy Lodgement.
6. For purpose of determining members' eligibility to attend the 28th AGM, only members whose names appear in the Record of Depositors as at 20 November 2025 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on his behalf.

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AFFIX
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The Share Registrar

Boardroom Share Registrars Sdn. Bhd.
(Registration No.: 199601006647(378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor, Malaysia

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Fold This Flap For Sealing



VARIA BERHAD

Registration No.: 199701004603 (420099-X)

1105, Block E, Level 11
Pusat Dagangan Phileo Damansara 1
No. 9, Jalan 16/11
Off Jalan Damansara
46350 Petaling Jaya
Selangor

T : +603-8309 3841

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