



2026

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 Pembinaan Mewah Kota Sdn Bhd (formerly known as Mewah Kota Sdn Bhd) ("PMK").

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.

PMK 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 PMK's ethos today.

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

CORPORATE PROFILE

(Cont'd)



PROPERTY DEVELOPMENT



To spearhead its property development segment, the Group established Varia Properties Sdn Bhd (“VPSB”) as the principal subsidiary overseeing and driving its property development initiatives. VPSB provides the platform for the Group to build and expand its property development portfolio, complementing its existing construction capabilities.

The Group’s property development journey began with Varia Land Sdn Bhd, which undertook development projects in Port Dickson, Negeri Sembilan and Kuala Selangor, Selangor. Building on these earlier developments, the Group has progressively expanded its property development pipeline through strategic collaborations and joint ventures.

More recently, the Group further strengthened its development portfolio through Varia Crest Sdn Bhd, Varia Era Sdn Bhd and Varia Southrise Sdn Bhd, which are involved in strategic developments in Kuala Lumpur, Putrajaya and Johor, respectively. Collectively, these developments have a combined indicative gross development value of approximately RM2 billion, further broadening the Group’s geographical presence and enhancing its property development portfolio.

These initiatives reflect the Group’s continued commitment to establishing a sustainable and diversified property development portfolio that complements its construction capabilities, while delivering quality developments and creating long-term value for its stakeholders and the communities in which it operates.

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 Wira Roslan bin Ab Rahman

Independent Non-Executive Director

Datuk Kok Boon Kiat

Non-Independent Non-Executive Director

Datin Wang Poh Chin

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

Chairperson

Shahrizam bin A Shukor

Members

Datuk Wira Roslan bin Ab Rahman

Lailatul Azma binti Abdullah

RISK MANAGEMENT COMMITTEE

Chairperson

Lailatul Azma binti Abdullah

Members

Datuk Wira Roslan bin Ab Rahman

Shahrizam bin A Shukor

NOMINATION AND REMUNERATION COMMITTEE

Chairperson

Sharifah Rafidah binti Wan Mansor

Members

Datuk Kok Boon Kiat

Lailatul Azma binti Abdullah

SUSTAINABILITY COMMITTEE

Chairperson

Datuk Lau Beng Sin

Members

Datuk Wira Roslan bin Ab Rahman

Datin Wang Poh Chin

Sharifah Rafidah binti Wan Mansor

CORPORATE INFORMATION

(Cont'd)

SHARE ISSUANCE SCHEME COMMITTEE

Chairperson

Datuk Lau Beng Wei

Members

Datuk Lau Beng Sin

Datuk Kok Boon Kiat

EXECUTIVE COMMITTEE

Chairperson

Datuk Lau Beng Sin

Members

Datuk Lau Beng Wei

Datuk Koay Xing Boon

Datuk Raizita binti Ahmad @ Harun

Teoh Boon Keong

Tang Lai Sum

Yong Chu Lan

COMPANY SECRETARY

Chin Foong Ping

(MAICSA 7044276)

(SSM PC No. 202008002708)

REGISTERED OFFICE

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Pusat Dagangan Phileo Damansara 1

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Off Jalan Damansara

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Selangor, Malaysia

Tel. No. : +603-8309 3841

E-mail : varia@varia.com.my

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd

11th Floor Menara Symphony

No. 5 Jalan Prof Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor, Malaysia

Tel. No. : +603-7890 4700

Fax No. : +603-7890 4670

E-mail : bsr.helpdesk@boardroomlimited.com

AUDITORS

Baker Tilly Monteiro Heng PLT

Chartered Accountants

Baker Tilly Tower, Level 10, Tower 1, Avenue 5

Bangsar South City

59200 Kuala Lumpur, Malaysia

Tel. No. : +603-2297 1000

Fax No. : +603-2282 9980

BANKERS

Malayan Banking Berhad

Maybank Islamic Berhad

AmBank (M) Berhad

AmBank Islamic Berhad

Bank Muamalat Malaysia Berhad

RHB Islamic Bank Berhad

RHB Bank Berhad

Bank Islam Malaysia Berhad

Alliance Bank Malaysia Berhad

Bank Pembangunan Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Name : VARIA

Stock Code : 5006

Sector : Construction

WEBSITE

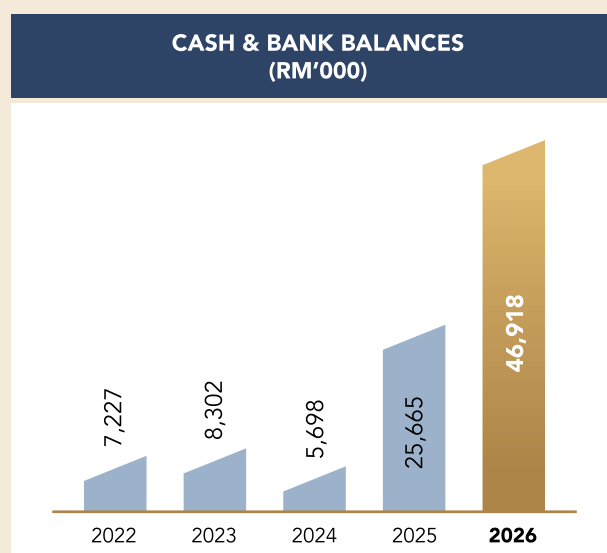
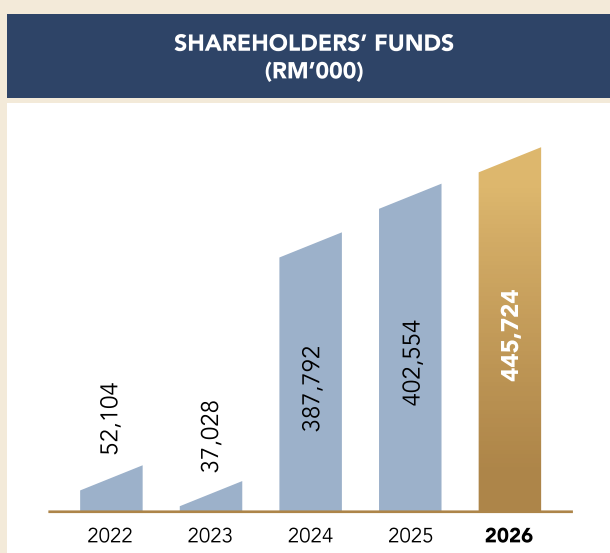
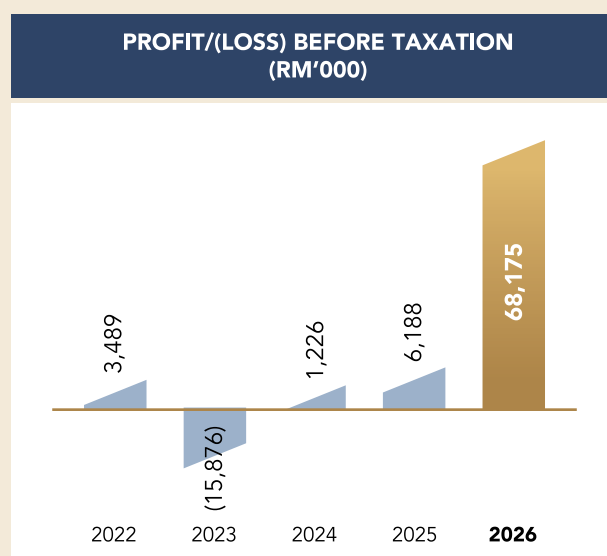
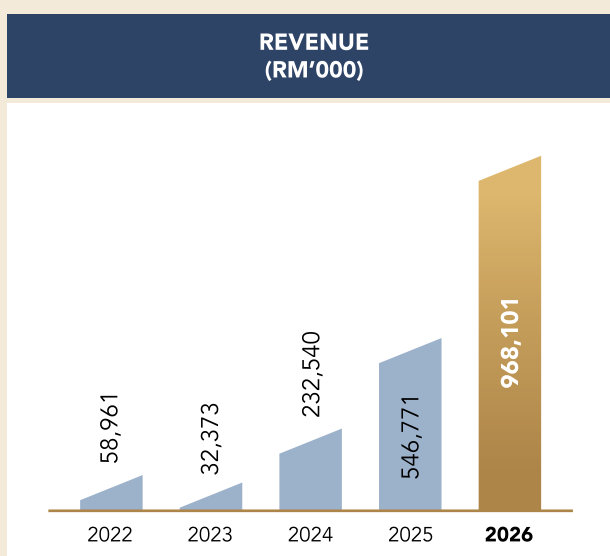
www.varia.com.my

CORPORATE STRUCTURE



FINANCIAL HIGHLIGHTS

	Audited				
	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000	2026 RM'000
Revenue	58,961	32,373	232,540	546,771	968,101
Operating Profit/(Loss)	5,178	(13,972)	6,114	13,506	83,517
Profit/(Loss) before taxation	3,489	(15,876)	1,226	6,188	68,175
Profit/(Loss) after taxation	2,692	(16,446)	764	2,088	42,043
Retained Earnings	20,034	5,315	6,080	8,167	50,265
Shareholders' Funds	52,104	37,028	387,792	402,554	445,724
Cash & Bank Balances	7,227	8,302	5,698	25,665	46,918



CHAIRMAN'S STATEMENT



To Our Valued Shareholders

On behalf of the Board of Directors of Varia Berhad ("Varia" or "the Group"), it is my privilege to present our Annual Report for the financial year ended 30 June 2026 ("FYE2026").

FYE2026 marked a year of significant progress for the Group, underpinned by strong financial performance, accelerated progress across our key construction projects and continued expansion of our business portfolio. Despite navigating an operating environment characterised by rising costs and persistent global uncertainties, Varia remained focused on disciplined project execution, effective cost management and the pursuit of strategic opportunities that strengthen our long-term growth prospects.

DATO' SRI DR. MOHD NIZOM BIN SAIRI
Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

(Cont'd)

Economic Landscape

The global economic environment remained challenging throughout FYE2026, with geopolitical conflicts and uncertainties contributing to continued cost pressures across industries. For Varia, these pressures were partially mitigated by the strengthening of the Malaysian Ringgit and a relatively stable interest rate environment, which provided some support amid elevated operating costs.

Domestically, the Group continued to navigate rising costs within Malaysia's construction and property development sectors while maintaining control over its operations. Cost pressures, labour considerations and supply chain challenges remained important factors during the year, requiring the Group to adopt proactive strategies and maintain close oversight of project costs and execution. Meanwhile, there were no significant shifts in public or private sector demand, project awards or tender activity that materially altered the Group's operating environment during FYE2026.

Beyond immediate cost considerations, workforce transformation remains a longer-term challenge for the industry as businesses adapt to evolving operating requirements and market conditions. Against this backdrop, the Group continued to exercise financial and operational discipline while positioning itself to respond to changes in the construction and property development landscape.

Financial Performance

FYE2026 was a strong year for the Group, with Varia recording significant improvements across its key financial indicators. Revenue rose by 77.06% to RM968.10 million, compared with RM546.77 million in FYE2025, driven primarily by accelerated progress on the RTB Sungai Johor, RTB Sungai Segamat, STP Mak Mandin, Puspahanas and Pasar Besar Cheras projects, together with peak construction activities across several ongoing projects.

Profit before tax ("PBT") increased substantially to RM68.18 million, from RM6.19 million in the preceding financial year. The improvement was supported by the higher revenue contribution as well as upward margin revisions for the Pulau Indah and Puspahanas projects following cost reassessments and effective project management. Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") likewise strengthened to RM110.15 million, compared with RM35.80 million in FYE2025.



The construction segment remained the Group's principal earnings contributor during the year. Pembinaan Teguh Maju Sdn Bhd ("PTM") generated RM874.70 million in revenue, supported by accelerated progress across major ongoing projects, while Pembinaan Mewah Kota Sdn Bhd (formerly known as Mewah Kota Sdn Bhd) contributed a further RM76.50 million. At the segment level, construction generated revenue of approximately RM951.20 million and PBT of RM111.85 million, reinforcing its position as the cornerstone of the Group's operations.

The property development segment contributed RM16.80 million in revenue, primarily from the Sky Cove @ Taman Arowana housing development. While the segment recorded a loss before tax of approximately RM8.77 million, development activity continued during the year, with sales and construction progressing for 72 double-storey units while the remaining 70 units await development and launch as at 30 June 2026. The segment also broadened its portfolio through developments in Putrajaya and Bandar Seri Alam, Johor Bahru, while the Jalan Tun Razak project remains at an early stage of development.

CHAIRMAN'S STATEMENT

(Cont'd)

The Group's performance was nevertheless moderated by several non-operating and financing-related items. Amortisation of intangible assets amounted to RM22.71 million, arising from customer contracts recognised following the acquisition of PTM, while finance costs increased to RM16.24 million as banking facilities were utilised to support higher working capital requirements and the progress of ongoing projects. At the holding company level, a loss before tax of RM12.65 million was recorded, mainly due to impairment allowances on investment in subsidiaries, finance and staff costs, as well as expenses associated with the Share Issuance Scheme.

Our balance sheet also expanded considerably in tandem with the higher level of activity. Total assets increased to RM1.19 billion as of 30 June 2026, compared with RM734.32 million in the preceding financial year, mainly due to higher inventories arising from the Jalan Tun Razak development, as well as increases in contract assets and trade receivables associated with peak construction activity. Current assets stood at RM741.16 million, including trade receivables of RM204.04 million and contract assets of RM312.31 million, while cash, bank balances and deposits with licensed banks totalled approximately RM46.92 million. Borrowings increased during the year to support the higher working capital requirements of the Group's expanding project portfolio.

Corporate and Strategic Developments

Beyond the Group's strong financial performance, FYE2026 was also characterised by continued expansion across our construction, infrastructure and property development activities. The Group maintained progress across a broad portfolio of projects while securing new opportunities that further strengthen our future pipeline.



Among the new construction projects secured during the year were projects at Melaka, Perak and Pasir Gudang, while the Group continued to expand its property development footprint through projects in Putrajaya, Bandar Seri Alam, Johor Bahru and Jalan Tun Razak, Kuala Lumpur. The Perkeso Ipoh project was also completed during the financial year. These developments complement the Group's existing portfolio and reflect our continued ability to pursue opportunities across both construction and property development.

As market dynamics continue to evolve, our focus remains on strengthening resilience through diversification, financial discipline and the adoption of technology, while positioning the Group to respond to changing cost structures and emerging market requirements. By pursuing opportunities across infrastructure, property development and new growth sectors, we aim to build a more balanced business portfolio capable of delivering sustainable and profitable growth over the long term.

Corporate Governance

The Group remains committed to maintaining high standards of corporate governance as the regulatory landscape continues to evolve and stakeholder expectations increase. Its governance practices are regularly reviewed to ensure continued alignment with the requirements and recommendations of Bursa Malaysia, the Malaysian Code on Corporate Governance and other applicable regulatory frameworks. The Board continues to promote a strong culture of accountability, integrity and transparency throughout the Group and to ensure that appropriate governance structures and processes remain in place to support sound and responsible decision-making.

CHAIRMAN'S STATEMENT

(Cont'd)

The Board and its respective Committees also continue to keep abreast of developments in regulatory requirements and governance best practices, taking into consideration their relevance and applicability to the Group's operations and strategic direction.

The Group continued to strengthen its corporate governance, risk management and internal control practices during FYE2026, supported by structural enhancements, more formalised frameworks and greater financial discipline across the organisation. These efforts are intended to reinforce accountability and ensure that the Group's governance framework continues to support its growing scale of operations and increasingly diversified business activities.

During the year, the Board maintained its focus on prudent financial management, strategic diversification and the further formalisation of environmental, social and governance (ESG) oversight. As the Group expands into new business areas and undertakes increasingly complex projects, effective oversight of financial performance, project execution and emerging risks remains integral to safeguarding the Group's long-term interests. Further details on the Group's corporate governance practices and initiatives are set out in the subsequent sections of this Annual Report.

Sustainability

Sustainability continues to form an increasingly important part of Varia's approach to long-term value creation. During FYE2026, the Group remained focused on strengthening its governance and environmental performance while continuing to pursue sustainability-related ISO accreditations as part of its efforts to enhance standards across its operations.

We recognise that sustainability is no longer viewed simply as an additional corporate consideration, but as an important component of business strategy and resilience. Accordingly, the Group continues to place emphasis on initiatives that support its employees and the communities in which it operates, while seeking to generate broader value for customers, business partners and shareholders.

By embedding responsible practices into the way we operate and make decisions, we aim to strengthen the Group's resilience while ensuring that future growth is pursued with due consideration for environmental, social and governance priorities.

Outlook

Looking ahead to FYE2027, the Group remains cautiously optimistic about its prospects. Malaysia's continued domestic economic growth and ongoing investment in major infrastructure projects are expected to provide a supportive operating environment, although global uncertainties and rising costs remain important considerations.



The Group's growth strategy will remain anchored in strengthening its established water infrastructure and civil engineering operations, while selectively expanding into complementary infrastructure segments and further developing its property portfolio. Construction and infrastructure will continue to form the principal business of the Group, while property development is intended to become an increasingly significant complementary pillar over the longer term.

CHAIRMAN'S STATEMENT

(Cont'd)

Building on our existing capabilities, Varia will continue to pursue opportunities in water-related infrastructure, civil engineering and supporting works for public infrastructure, industrial facilities and urban developments. At the same time, the Group intends to selectively explore opportunities in data centre supporting infrastructure and power infrastructure, including associated civil, utility and water-related works. Where specialist expertise is required, we will consider strategic collaborations with suitably experienced partners, subject to technical readiness, regulatory approvals and commercially acceptable terms.

Our property development portfolio will also remain an important area of focus, with the Jalan Tun Razak, Seri Alam and Putrajaya developments targeted for progression in 2027. The Jalan Tun Razak and Seri Alam developments have obtained their respective Development Order approvals, while the Putrajaya project remains at the planning stage. These projects will be progressed in phases according to their respective readiness, market conditions, development feasibility and financing requirements, and their planned progression does not necessarily imply that all three will contribute revenue or profit during FYE2027.



As we pursue these opportunities, the Group will continue to exercise financial discipline in project selection and capital allocation, with particular attention to achievable margins, cash conversion, counterparty strength, liquidity, working capital requirements and execution risk. With a strengthened project portfolio and a clearer pathway towards a more diversified business mix, Varia enters FYE2027 with a continued focus on disciplined execution, responsible growth and the creation of sustainable long-term value for our stakeholders.

Appreciation

On behalf of the Board, I would like to express my sincere appreciation to our shareholders, employees, customers, business partners and other stakeholders for their continued trust and support throughout FYE2026. Your confidence in the Group remains an important foundation as we continue to strengthen our operations and pursue the next phase of Varia's growth.

The Board wishes to record its sincere appreciation to Datuk Manivannan A/L Ganapathy, who retired from the Board at the 2025 Annual General Meeting, for his dedicated service, valuable contributions and commitment to the Group throughout his tenure.

At the same time, we are pleased to welcome Datin Wang Poh Chin, who was appointed to the Board during the financial year. We look forward to her valuable contributions, drawing on her experience and perspectives as the Group continues to pursue its strategic priorities and long-term objectives.

To my fellow Board members and the entire Varia team, I extend my heartfelt appreciation for your dedication and commitment throughout the year. The progress achieved in FYE2026 reflects the collective efforts of everyone across the Group, and we look forward to building on this momentum as we pursue sustainable growth and create enduring value for all our stakeholders.

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

MANAGEMENT DISCUSSION & ANALYSIS

Introduction

The purpose of this Management Discussion and Analysis (“MD&A”) is to provide a comprehensive evaluation of Varia Berhad (“Varia” or “the Group”) financial performance and operational results for the financial year ended (“FYE”) 30 June 2026 (“FYE2026”). Building on the progress achieved in the preceding financial year, FYE2026 marked another significant period in the Group’s development, characterised by strong operating performance, continued execution of its construction portfolio and a broader strategic push into property development.

During the year, the Group continued to strengthen its core construction activities while expanding its property development presence through strategic joint ventures. These initiatives formed part of Varia’s broader efforts to diversify its earnings base and establish new avenues for sustainable growth, while maintaining a sizeable construction order book to support future revenue visibility.

In parallel, the Group began pursuing strategic partnerships aimed at broadening its exposure to the energy sector, including potential opportunities in data centres, power plants and other energy-related projects. This diversification reflects Varia’s continued transition towards a larger and more diversified business group with interests extending beyond its traditional construction activities.

This MD&A should be read in conjunction with the Group’s audited consolidated financial statements for FYE2026.

Strategic Transformation and Corporate Milestones

Brand Evolution

FYE2026 represented a further stage in the evolution of the Varia brand as the Group continued to build on the corporate transformation undertaken in previous years. Having established its refreshed identity, Varia’s focus during the year shifted towards translating this positioning into tangible business growth through stronger financial performance, expansion into property development and the continued strengthening of its project pipeline.

The Group’s development increasingly reflects its transition from a traditional construction contractor into a more diversified organisation with a broader range of activities across construction, infrastructure and property development. This progression has been supported by the Group’s strong financial performance during FYE2026 and its continued efforts to strengthen its order book and pursue opportunities in complementary growth areas.

In particular, the Group continued to advance several ongoing property development initiatives during the year. These included the Bandar Seri Alam development in Johor Bahru, undertaken through a collaboration between Seri Alam Properties Sdn Bhd and Varia Southrise Sdn Bhd; the mixed development in Presint 7, Putrajaya, through a joint development arrangement between Cahaya Nusantara Sdn Bhd and Varia Era Sdn Bhd; and the Jalan Tun Razak development in Kuala Lumpur, undertaken through a joint venture between Citaglobal Property Development Sdn Bhd and Varia Crest Sdn Bhd.

The progression of these developments further broadens Varia’s property development footprint and demonstrates how the Group’s evolving corporate identity is increasingly being reflected in the scale and diversity of its business activities. Alongside its established construction and infrastructure capabilities, the expansion of its property development portfolio supports Varia’s continued transformation into a more diversified Group and strengthens its platform for sustainable long-term growth.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Financial Performance Review

The Group delivered a significantly stronger financial performance in FYE2026, with revenue increasing by 77.06% to RM968.10 million, compared with RM546.77 million in FYE2025. This growth was mainly attributable to accelerated progress on the RTB Sungai Johor, RTB Sungai Segamat, STP Mak Mandin, Puspahanas and Pasar Besar Cheras projects, together with peak construction activities across several ongoing projects. Profit before tax ("PBT") increased substantially to RM68.18 million, from RM6.19 million in FYE2025, supported by the higher revenue contribution and upward margin revisions for the Pulau Indah and Puspahanas projects following cost reassessments and effective project management. The Group also recorded EBITDA of RM110.15 million, compared with RM35.80 million in the preceding financial year.

The performance of the Group's subsidiaries and business segments is elaborated under the segment analysis, where the construction segment remained the principal revenue and earnings contributor, while the property development segment continued to broaden its development portfolio through ongoing and new projects.



Balance Sheet and Liquidity

As at 30 June 2026, the Group's total assets stood at RM1.19 billion, compared with RM734.32 million in FYE2025. The expansion was mainly attributable to higher inventories arising from the Jalan Tun Razak property development, together with increases in contract assets and trade receivables as construction activities reached peak levels across several ongoing projects.

Total equity increased by approximately 10.72% to RM445.72 million, from RM402.55 million in FYE2025, supported primarily by profit for the year of RM42.04 million and RM1.11 million arising from the Share Issuance Scheme ("SIS"). Correspondingly, net assets per share improved to RM1.03, compared with RM0.93 in the preceding financial year, reflecting the strengthening of the Group's equity position.

The Group's borrowings increased to RM260.06 million from RM131.99 million in FYE2025, while total liabilities rose to RM744.20 million from RM331.76 million. The increase in borrowings was mainly attributable to higher working capital requirements associated with the execution of ongoing construction projects and the Group's continued business expansion. Consequently, the gearing ratio increased to 0.58 times, compared with 0.33 times in FYE2025, reflecting the greater utilisation of financing to support the Group's enlarged scale of operations and investment activities.

Current assets increased significantly to RM741.16 million as at 30 June 2026, from RM271.36 million in FYE2025, mainly comprising trade receivables of RM204.04 million and contract assets of RM312.31 million. Cash and bank balances and deposits with licensed banks stood at approximately RM46.92 million. Current liabilities increased to RM595.65 million from RM258.97 million, while the current ratio improved marginally to 1.24 times, compared with 1.05 times in FYE2025. The higher working capital requirements during the year reflected the peak progress of several construction projects as well as the Group's continued expansion into property development.

MANAGEMENT DISCUSSION & ANALYSIS

(Cont'd)

During FYE2026, the Group also incorporated five new companies, of which four are principally associated with property development activities, while the remaining company supports a new business stream. These additions reflect the Group's ongoing diversification and expansion strategy. Overall, despite the increase in borrowings and liabilities, the Group maintained a positive liquidity position, supported by a larger current asset base and continued operational activity across its construction and property development portfolio.

Operational Highlights

In FYE2026, Varia continued to make strong progress across its ongoing project portfolio, supported by a sustained focus on project execution and workplace safety. The Group's operational performance benefited from accelerated progress on several major projects, including RTB Sungai Johor, RTB Sungai Segamat, Pulau Indah and Puspahanas, while effective project management and cost reassessment contributed to improved margins on selected projects.

Segment Analysis

Construction Segment

The construction segment remained the Group's core revenue and earnings contributor in FYE2026, recording revenue of approximately RM951.20 million and PBT of RM111.85 million. The strong performance was underpinned by accelerated progress on the RTB Sungai Johor, RTB Sungai Segamat, STP Mak Mandin, Puspahanas and Pasar Besar Cheras projects, together with peak construction activities across several ongoing projects.



Profitability was further supported by upward margin revisions for the Pulau Indah and Puspahanas projects following cost reassessments and effective project management. These improvements reflect the Group's continued focus on disciplined project execution and cost control across its construction portfolio.

During the year, Pembinaan Teguh Maju Sdn Bhd ("PTM") successfully achieved and exceeded its cumulative three-year profit guarantee for FPE2024, FYE2025 and FYE2026. PTM recorded cumulative profit after tax of RM132.07 million over the three-year period, surpassing the guaranteed amount of RM120.0 million. This achievement underscores PTM's strong contribution to the Group and reflects the sustained performance of its construction operations following its integration into Varia.

During the year, the Group also secured new projects including Sungai Kim Kim and Pasir Gudang, while continuing to advance its existing portfolio. The balance construction order book stood at approximately RM2.31 billion as at 30 June 2026, providing the Group with continued revenue visibility moving into FYE2027.

The construction segment also maintained a healthy level of profitability during FYE2026, recording a PBT margin of approximately 11.7%, reflecting a strong performance within the broader construction industry. This was supported by effective cost management, disciplined project execution and improved margins across selected projects, reinforcing the Group's ability to preserve profitability amid a challenging operating environment.

MANAGEMENT DISCUSSION & ANALYSIS

(Cont'd)



Property Development Segment

The property development segment recorded revenue of RM16.80 million in FYE2026, primarily generated from the Sky Cove @ Taman Arowana housing development, while the segment recorded a loss before tax of approximately RM8.77 million. Sales and development of 72 double-storey units at Taman Arowana remained ongoing during the year, while the remaining 70 units had yet to be developed and launched as at 30 June 2026.

During FYE2026, the Group also expanded its property development portfolio through projects in Putrajaya, Bandar Seri Alam, Johor Bahru, and Jalan Tun Razak, Kuala Lumpur. The Jalan Tun Razak development remained at an initial stage as at the end of the financial year, while these additional projects are expected to broaden the segment's development pipeline and support its future growth.

Prospects and Strategic Direction

The Group's growth strategy is centred on strengthening its established water infrastructure and civil engineering operations, expanding into complementary infrastructure segments and building its property development portfolio. Construction and infrastructure will remain the Group's principal businesses, while property development is intended to develop into a significant complementary pillar over the longer term.

Looking ahead, the Group intends to pursue opportunities in essential infrastructure, industrial development and strategically located property projects. Its approach will continue to be guided by execution capabilities, commercial viability and financial capacity, with an emphasis on sustainable growth and the creation of long-term shareholder value.



MANAGEMENT DISCUSSION & ANALYSIS

(Cont'd)



Strengthening Water and Civil Engineering Operations

The Group's established involvement in water infrastructure and civil engineering provides a strong foundation for its next phase of growth. Moving forward, Varia will continue to pursue projects aligned with these capabilities, including water-related infrastructure and civil works supporting public infrastructure, industrial facilities and urban developments.

Project selection will remain disciplined, with emphasis placed on the quality of the order book, achievable margins, cash conversion, counterparty strength and execution risk. At the operational level, the Group will continue to strengthen project management, procurement efficiency and resource allocation to support timely project delivery and effective cost control.

Expanding into Data Centre and Power Infrastructure

Building on its water and civil engineering capabilities, the Group intends to selectively explore opportunities across the interconnected areas of data centre supporting infrastructure, power infrastructure, water infrastructure and associated civil works. This direction broadens the application of Varia's existing expertise and provides a potential pathway towards developing a more integrated infrastructure offering.

For data centre developments, the Group will evaluate opportunities involving site preparation, earthworks, roads, drainage, foundations, structural works, water infrastructure and supporting utility works. Within power infrastructure, the initial focus will be on civil and supporting works associated with substations, utility networks and energy facilities.

Where projects require specialist electrical, energy or data centre expertise, the Group will consider collaborations with suitably experienced partners. Participation in such projects will remain subject to technical readiness, applicable approvals and commercially acceptable terms, with capabilities to be developed progressively in line with opportunities secured.

Expanding the Property Development Portfolio

The Group is also building a property development pipeline to complement its construction and infrastructure operations. Three developments are targeted for progression in 2027, comprising projects at Jalan Tun Razak, Bandar Seri Alam and Putrajaya.

The Jalan Tun Razak and Bandar Seri Alam developments have obtained their respective Development Order approvals, representing important milestones in the Group's property development pipeline. The proposed Putrajaya development remains at the planning stage, with further planning and regulatory approvals to be pursued as the proposal continues to be refined. The Group will adopt a phased approach to the progression of these developments, taking into consideration market demand, project feasibility, development costs, financing requirements and the completion of the necessary technical, regulatory and commercial arrangements.

MANAGEMENT DISCUSSION & ANALYSIS

(Cont'd)

Building a Balanced Project Portfolio

Over the longer term, the Group aspires for property development to represent approximately 30% of its combined construction order book and property development pipeline, while construction and infrastructure are expected to remain the larger component of the portfolio.

For the purpose of this strategic portfolio measure, construction will be represented by the remaining value of secured contracts, while property development will be represented by estimated development values attributable to the Group. Both components will be identified separately, with their respective valuation bases clearly stated and any overlap excluded to avoid double counting.

The 30% aspiration represents a long-term portfolio objective rather than the Group's current business mix or a forecast of future revenue or profit contribution. Progress towards this objective will depend on factors including regulatory approvals, market conditions, project execution and capital availability.



Financial Discipline and Responsible Delivery

As the Group broadens its portfolio, new project commitments will continue to be aligned with its financial capacity, with particular attention given to liquidity, working capital requirements and prudent capital allocation. Strategic partnerships will also be considered where they provide relevant expertise or support the delivery of larger and more complex projects on commercially acceptable terms.

Operational priorities will continue to include workplace safety, construction quality, responsible resource utilisation and compliance with applicable requirements. Environmental considerations, including water efficiency, drainage and resource management, will also be incorporated into project planning and delivery where relevant.

Through the continued development of its water and civil engineering businesses, selective participation in data centre and power infrastructure, and the phased progression of its property development portfolio, the Group aims to establish a more diversified and resilient business platform while supporting sustainable long-term value creation.

BOARD OF DIRECTORS



(Front) From left:

DATUK LAU BENG WEI

Executive Deputy Chairman, Non-Independent Executive Director

DATO' SRI DR. MOHD NIZOM BIN SAIRI

Independent Non-Executive Chairman

DATUK LAU BENG SIN

Managing Director, Non-Independent Executive Director

(Back) From left:

SHAHORIZAM BIN A SHUKOR

Senior Independent Non-Executive Director

DATIN WANG POH CHIN

Non-Independent Non-Executive Director

DATUK WIRA ROSLAN BIN AB RAHMAN

Independent Non-Executive Director

LAILATUL AZMA BINTI ABDULLAH

Independent Non-Executive Director

DATUK KOK BOON KIAT

Non-Independent Non-Executive Director

SHARIFAH RAFIDAH BINTI WAN MANSOR

Independent Non-Executive Director

PROFILE OF DIRECTORS

DATO' SRI DR. MOHD NIZOM BIN SAIRI

Independent Non-Executive Chairman

Malaysian, Age 63, Male

Date of Appointment

3 October 2024



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

-

BOARD MEETING ATTENDANCE

During the financial year ended 30 June 2026, he attended 6 out of 7 Board meetings held.

EXPERIENCES

Dato' Sri Dr. Mohd Nizom Sairi, 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 Sairi 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.

Dato' Sri Dr. Mohd Nizom Sairi serves as a Chairman of British American Tobacco (Malaysia) Berhad and is also a member of the Board of Jati Tinggi Group 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
Malaysian, Age 60, Male

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 (Chairperson)

BOARD MEETING ATTENDANCE

During the financial year ended 30 June 2026, he attended 6 out of 7 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
Malaysian, Age 55, Male

Date of Appointment
9 November 2022



ACADEMIC / PROFESSIONAL QUALIFICATION

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

BOARD COMMITTEES MEMBERSHIP

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

BOARD MEETING ATTENDANCE

During the financial year ended 30 June 2026, he attended 7 out of 7 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 WIRA ROSLAN BIN AB RAHMAN

Independent Non-Executive Director
Malaysian, Age 69, Male

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)
- Sustainability Committee (Member)

BOARD MEETING ATTENDANCE

During the financial year ended 30 June 2026, he attended 6 out of 7 Board meetings held.

EXPERIENCES

Datuk Wira Roslan Ab Rahman 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 Manufactures (FMM) and Federation of Malaysian Consumers Association (FOMCA). Datuk Wira Roslan Ab Rahman 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 Ab Rahman 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
Malaysian, Age 54, Male

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 2026, he attended 7 out of 7 Board meetings held.

EXPERIENCES

Datuk Kok Boon Kiat 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)

DATIN WANG POH CHIN

Non-Independent Non-Executive Director
Malaysian, Age 56, Female

Date of Appointment

15 April 2026



ACADEMIC / PROFESSIONAL QUALIFICATION

Bachelor of Industrial Science with a major in Mathematics, Universiti Teknologi Malaysia

BOARD COMMITTEES MEMBERSHIP

Sustainability Committee (Member)

BOARD MEETING ATTENDANCE

During the financial year ended 30 June 2026, she attended 2 out of 2 Board meetings held since her appointment.

EXPERIENCES

Datin Wang Poh Chin had a short tenure with a manufacturing company, where she served as the Head of Human Resource ("HR") at one of its branch operations, overseeing HR-related operational and administrative functions. In this role, she supported various HR functions including data analysis, documentation, coordination of HR processes and ensuring compliance with internal policies and organisational procedures, gaining exposure to corporate working environments and HR operational practices.

In addition to her professional exposure, she has also been involved in various organisational and community-related initiatives where she participated in planning, coordination and administrative support. These engagements have enabled her to further develop strong organisational, communication and stakeholder engagement skills.

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

PROFILE OF DIRECTORS (Cont'd)

SHAHRIZAM BIN A SHUKOR

Senior Independent Non-Executive Director
Malaysian, Age 54, Male

Date of Appointment
6 May 2019



ACADEMIC / PROFESSIONAL QUALIFICATION

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

BOARD COMMITTEES MEMBERSHIP

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

BOARD MEETING ATTENDANCE

During the financial year ended 30 June 2026, he attended 7 out of 7 Board meetings held.

EXPERIENCES

En. Shahrizam A Shukor 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 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.

En. Shahrizam A Shukor 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
Malaysian, Age 48, Female

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 (Chairperson)
- Sustainability Committee (Member)

BOARD MEETING ATTENDANCE

During the financial year ended 30 June 2026, she attended 7 out of 7 Board meetings held.

EXPERIENCES

Mdm. Sharifah Rafidah Wan Mansor 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.

Mdm. Sharifah Rafidah Wan Mansor 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.

Mdm. Sharifah Rafidah Wan Mansor 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

Malaysian, Age 52, Female

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

- Risk Management Committee (Chairperson)
- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)

BOARD MEETING ATTENDANCE

During the financial year ended 30 June 2026, she attended 7 out of 7 Board meetings held.

EXPERIENCES

Mdm. Lailatul Azma Abdullah began her career as a Quantity Surveyor with Davis, Langdon & Seah from November 1995 to September 1997, where she was responsible for quantity surveying and project management execution for projects in the Central Region of Malaysia under the Northern Region office.

She subsequently joined GCS Engineering Sdn Bhd, a civil infrastructure engineering and project management consultancy, as Chief Operations Officer. In this capacity, she headed, among others, the Cost and Contracts Department and was responsible for major civil infrastructure engineering projects with an aggregate project value of approximately RM1 billion.

She later joined X-TXT Asia, a mobile telecommunications application and content development company headquartered in Kuala Lumpur with operations across the ASEAN market and based in Perth, Australia. The company was subsequently acquired by a venture capital investor from San Francisco, USA.

From April 2006 to April 2011, Mdm. Lailatul Azma Abdullah was with CIMB Group, where she was involved in property development, investment, asset management and fundraising activities. She last served as Director of Asset Management and was a member of the Investment Committee, with responsibility for managing the Australian Property Fund of CIMB Trust Capital Pte Ltd, with a fund size of approximately AUD320 million.

From September 2012 to August 2014, she served as Head of Branding & Advertising, Destination Resorts & Hotels, where she led branding and advertising initiatives for hospitality products and projects within Khazanah Nasional Berhad's Leisure and Tourism portfolio, including The Datai and Desaru Coast. She subsequently served as Partnership Director, Specialised Sports Services, where she was responsible for fundraising and media liaison with partners in Malaysia and the United Kingdom.

Mdm. Lailatul Azma Abdullah has previously served on the Boards of two real estate investment trusts, namely Al-'Aqar Healthcare REIT and Al-Salam Real Estate Investment Trust.

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

Note:-

1. Except for Datuk Lau Beng Wei and Datuk Lau Beng Sin, who are siblings, and Datin Wang Poh Chin, who is the spouse of Datuk Lau Beng Wei and sister-in-law of Datuk Lau Beng Sin, none of the other Directors are related to one another, nor with any major shareholder.
2. Except for Datuk Kok Boon Kiat, who is perceived to have a potential conflict of interest with Varia, as he is a director and has equity interests in companies principally involved in property development, which is similar to the business activities undertaken by certain subsidiaries within 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.
3. 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 Pembinaan Mewah Kota Sdn Bhd (formerly known as Mewah Kota Sdn Bhd)

Datuk Lau Beng Wei was appointed as the Chief Executive Officer of Pembinaan Mewah Kota Sdn Bhd (formerly known as 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

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

Group Chief Operating Officer

Malaysian, Age 64, Male

Mr. Teoh Boon Keong has been appointed as the Group Chief Operating Officer ("GCOO") of Varia, effective 1 November 2025. 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).

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.

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 also possesses extensive experience in delivering projects registered with the United States Green Building Council (USGBC).

In his capacity as GCOO, Mr. Teoh oversees and manages day-to-day operations across all construction projects and new opportunities.

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



DATUK RAIZITA BINTI AHMAD @ HARUN

Group Chief Financial Officer

Malaysian, Age 58, Female

Datuk Raizita Ahmad 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, Datuk Raizita Ahmad plays a central role in steering Varia Group toward sustainable growth and long-term value creation.

Datuk Raizita Ahmad 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, Datuk Raizita Ahmad 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

Group Chief Strategy/Investment Officer
Malaysian, Age 44, Male

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 Properties Sdn Bhd
Malaysian, Age 41, Female

Ms. Tracy Tang joined Varia Group on 27 May 2024 and currently serves as Chief Executive Officer of Varia Properties Sdn Bhd, the principal subsidiary driving the Property Development segment of Varia Group. She is responsible for the segment's strategic direction, project delivery and overall operational performance.

She holds a Bachelor of Commerce in Accounting and Marketing from Curtin University of Technology, Australia. She is a Certified Practising Accountant with CPA Australia and a Chartered Accountant registered with the Malaysian Institute of Accountants.

Ms. Tracy Tang has more than 19 years of professional experience spanning property development, construction and auditing, including 9 years in managerial roles and 4 years as Chief Financial Officer. In her current capacity, she oversees the segment's core functions, encompassing project development, finance, human resources, legal and operations.

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 Pembinaan Mewah Kota Sdn Bhd (formerly known as Mewah Kota Sdn Bhd)

Malaysian, Age 55, Female

Ms. Jacqueline Yong was appointed as the Chief Contract Officer of Pembinaan Mewah Kota Sdn Bhd (formerly known as 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, extension 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.

Note:-

Save as disclosed above, 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 “the Group”) is proud to present our Annual Sustainability Statement (“SS2026”) for the financial year ended 30 June 2026 (“FYE2026”). 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.

This report contains forward-looking statement, and stakeholders should note that information in the SS2026 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 SS2026 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 SS2026 is for the reporting period between 1 July 2025 to 30 June 2026, unless stated otherwise. The statement’s scope includes the holding Group, Varia, as well as business operations of three (3) business entities within our Group, namely Pembinaan Teguh Maju Sdn Bhd, Pembinaan Mewah Kota Sdn Bhd (formerly known as Mewah Kota Sdn Bhd) and Varia Land Sdn Bhd.

REPORT AVAILABILITY & FEEDBACK

The SS2026 is available for download on Varia’s website at www.varia.com.my as part of the Annual Report 2026.

We welcome stakeholders’ feedback on the SS2026 as part of our ongoing efforts to enhance our sustainability reporting and practices. Any comments may be submitted through Varia’s website at www.varia.com.my.

SUSTAINABILITY STATEMENT

(Cont'd)

SUSTAINABILITY GOVERNANCE

Sustainability governance guides how Varia deals with issues linked to sustainability. It keeps the organisation accountable and ensures sustainability is woven into daily activities and the decisions we take.

The structure governing sustainability remains in line with last year's approach. That continuity lets us build on established processes, so sustainability considerations remain effectively integrated 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

Regular contact flows through a mix of formal and informal channels, kept steady across the year. The dialogue reaches a broad group of stakeholders, from investors and customers to suppliers and employees, and extends to the government agencies and local communities affected by our operations.

These exchanges keep us transparent and attentive to feedback, and they ensure the concerns stakeholders care about stay firmly on the agenda.

The table below outlines how Varia engaged with each group during the year and the key areas of interest that came up.

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	Periodically	
	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	

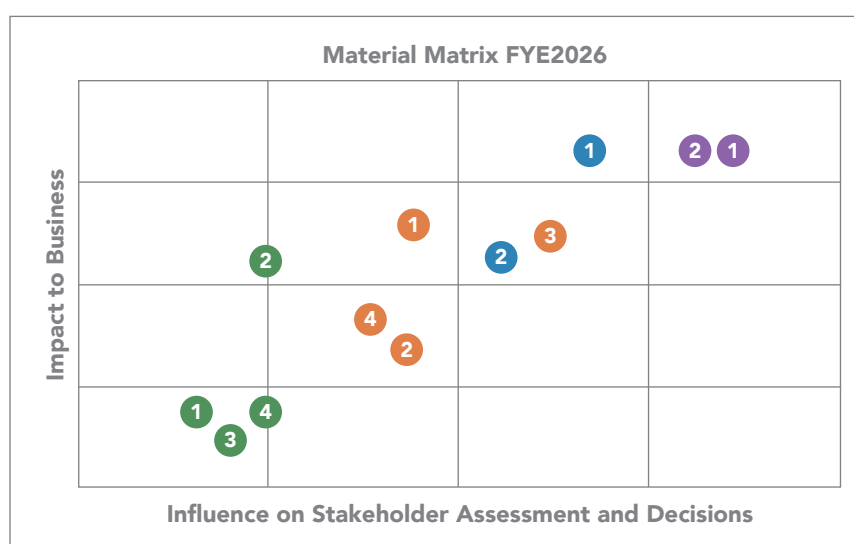
SUSTAINABILITY STATEMENT

(Cont'd)

MATERIALITY ASSESSMENT

During the year, the Management Committee reviewed the twelve (12) material topics that anchor the Group's sustainability agenda within the four (4) pillars of Economic, Environmental, Social and Governance. Drawing on their oversight of Varia's operations and stakeholder relationships, it was concluded that the topics retain their continued relevance as the sustainability outlook has not shifted dramatically since the previous year and no material changes were identified in the business environment or in stakeholder expectations. Accordingly, no exercise for the prioritisation of the material topics was conducted during the year.

The review findings were subsequently submitted to the Sustainability Committee and Board which were duly approved, affirming that the material topics remain central to the Group's sustainability focus areas for the year.



Economic	Environment	Social	Governance
1. Economic Performance 2. Supply Chain Control	1. Energy 2. Climate Change 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

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 sustainability factors can result in reputational damage, lower investor confidence, and difficulty securing green financing. • Lack of a solid sustainability strategy can also make the Group less competitive for government tenders that prioritise ESG criteria.	• Embedding sustainable practices across project delivery can lead to long-term cost savings through improved resource efficiency, particularly in energy and water use. • 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 Group 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 supply chains due to natural disasters or changes in regulations, can result in delivery delays and reduced customer satisfaction • Higher expenses incurred to comply with ethical and sustainable sourcing requirements • Sourcing materials from suppliers with weak sustainability and ethical practices can expose the Group to legal, reputational and financial risks. • A lack of transparency across the supply chain can lead to unforeseen issues like 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 providing sustainable, recycled, or locally sourced materials. This can not only reduce environmental impact but also improve supply chain resilience and lower transportation costs. • Broadening the supplier pool to include local and certified sustainable vendors strengthens agility and reduces dependency on single-source materials.	• Stronger control over the supply chain reduces project risk and improves delivery efficiency, while enhancing the Group's ethical standing and ensuring alignment 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 the Group relies 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 Varia's projects more durable and valuable, while also future proofing the business. It positions the Group as a leader in sustainable construction and aligns us with Malaysia's 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 exposes the Group to fluctuating energy prices and the prospect of 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 GreenRE and Solar Accelerated Transition Action Programme ("ATAP") in Malaysia which can be a key selling point for clients.	Measurable long-term savings across both the Group's operating budget and end-user utility costs, alongside a smaller carbon footprint and a tangible contribution to Malaysia's renewable energy
	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-portable 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 Group'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. - Partnering 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, salaries, 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 narrows the range of perspectives a team can bring to problem-solving, producing a homogenous work environment that struggles to attract talent from varied backgrounds.	By promoting diversity and equal opportunity, we broaden the talent pool we can draw on, with stronger representation across gender, age, nationality and background, and access to fresh perspectives and skills that deepen our understanding of client needs.	A more inclusive and innovative workplace culture, paired with an enhanced reputation as an equitable employer that is better positioned 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 Group'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.
	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

Operating in an industry whose complexity and competition continue to intensify, Varia anchors its commercial decisions in business continuity thinking. Long-term economic performance is protected through disciplined cost control and efficient project delivery. The Group's supply chain resilience and stakeholder relationships add further stability, all held to rigorous quality and safety standards.

ECONOMIC PERFORMANCE

Why is it important to us

Sustaining a strong economic footing allows Varia to stay ahead of competition in the construction industry. These capabilities translate into distinctive value for our stakeholders, sharpening our position in the market and accelerating the shift towards a more sustainable built environment.

Our progress so far

The Group assigns clear priority to revenue growth and tighter margins, with disciplined cost management sitting alongside them. Maintaining market competitiveness depends on this, and so does the tangible value we extend to stakeholders. The Group also pursues innovative and greener business opportunities that complement its core construction activity and unlock additional long-term growth.

Varia's projects succeed when client needs sit at the centre. Each engagement runs on a clear communication cadence: structured progress briefings, in-person site walkthroughs and check-ins with the project owner keep both sides aligned from kick-off through to handover. Where project scope questions surface or conditions shift on the ground, the team responds quickly so decisions hold their pace. Reaching completion on time and within budget, paired with a build quality that holds up under inspection, has compounded into a track record clients return to, anchoring Varia's standing for dependable delivery and the standard of workmanship the Group consistently delivers.

For further information on your Group's economic performance and in-depth narration, please refer to the Management Discussion and Analysis section of the Annual Report.

SUPPLY CHAIN CONTROL

Why is it important to us

Every project Varia delivers depends on a steady, dependable supply chain. Responsible sourcing shapes how materials and components reach our sites, anchored by quality thresholds and full compliance with project specifications. End-to-end procurement visibility keeps coordination with suppliers and contractors structured and proactive, so resources move efficiently across active sites and delivery schedules stay insulated from the disruption that negatively affects client confidence.

Our progress so far

Varia's procurement function maintained ISO 9001:2015 certification for its Quality Management System during the year, keeping every material and service acquisition measured against specified requirements and industry benchmarks. The standards and processes that protect quality across each stage of procurement remain firmly embedded.

FPE2024	FYE2025	FYE2026
100%	100%	100%
Proportion of spending on local suppliers		

The Group maintained 100% local procurement during the year, with domestic suppliers and contractors remaining at the centre of our supply chain. The policy continues to strengthen local industries while keeping procurement efficient and reliable.

Approved suppliers and subcontractors sit on a structured list reviewed under standard operating procedures. Evaluations cover quality and supply-specification compliance alongside pricing and delivery performance, and buyers are held to fairness and transparency throughout. These disciplines keep the procurement function consistent, and the partnerships cultivated with suppliers and subcontractors preserve Varia's quality and reliability standards across construction activities.

SUSTAINABILITY STATEMENT

(Cont'd)

ENVIRONMENTAL

Environmental considerations are included across each project, alongside scheduling and quality as well as cost control. The Group looks for improvement opportunities wherever practicable, drawing on more efficient use of energy and water, and tighter handling of construction waste together with ongoing studies on our greenhouse gas emissions. These efforts also contain costs and meet regulatory obligations, keeping the Group competitive as public's view on environmental criteria gains momentum.

ENERGY

Why is it important to us

Energy management forms part of Varia's environmental considerations, particularly across operational sites and active construction work. The Group prioritises efficiency in machinery and equipment use alongside site practices kept under continued review, aiming to reduce carbon footprint and tighten operating costs across site operations.

Our progress so far

Electricity remains the primary energy source across our offices, project sites and supporting facilities. Overall energy consumption continued to rise during the year, in line with the expansion of active project operations. This pattern is consistent with the broader construction sector, where absolute energy use typically scales with project volume before efficiency gains can offset the increase.

To manage this trajectory, Varia places consistent emphasis on day-to-day energy efficiency. The Group draws on well-maintained and energy-efficient equipment and machinery alongside energy-saving practices at project sites and offices. The intent is to reduce unnecessary consumption, manage cost efficiency and support the broader transition towards more sustainable operations. In line with this intent, we have begun collecting data on our petrol usage during the year to provide a more holistic view on our consumptions throughout the Group's operations.

Energy Source	Unit	FPE2024	FYE2025	FYE2026
Electricity	kWh	504,475	721,658	1,246,194
Petrol	litres	-	-	57,421
Diesel	litres	-	-	27,993

FYE2025	FYE2026
2,597.97	7,272.27
Total Energy Consumption (GJ)	

Note:

1. Petrol and Diesel consumption for FPE2024 and FYE2025 were not previously tracked.
2. Total energy consumption is calculated based on unit conversion of total electricity consumption (1MWh = 3.6GJ), total petrol consumption (1 litre = 0.0311GJ) and total diesel consumption (1 litre = 0.0357GJ).

CLIMATE CHANGE

Why is it important to us

Day-to-day activities across active sites and equipment contribute to greenhouse gas ("GHG") emissions, and the Group recognises the climate risk this carries. Looking ahead, our intent is to minimise our environmental impact where practicable and to align disclosure and practice with the National Sustainability Reporting Framework ("NSRF") as the new reporting obligations take effect.

Our progress so far

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

- Scope 1: Direct emissions from sources owned or controlled by the Group, including fuel use of machinery and equipment
- Scope 2: Indirect emissions from electricity consumption at our offices and project sites
- Scope 3: Other indirect emissions throughout the value chain, with this year's reporting limited to GHG Protocol Category 6 (Business Travel) and Category 7 (Employee Commuting) only

SUSTAINABILITY STATEMENT

(Cont'd)

The Group reports Scope 1 and Scope 3 emissions for the first time this year. The disclosure rests on continuous improvements to data collection across direct fuel use and purchased electricity as well as business travel and employee commuting. Expansion of Scope 3 to additional categories may follow in future reporting cycles once Varia's data collection methods and supporting methodology become more mature.

GHG Emissions	Unit	FPE2024	FYE2025	FYE2026
Scope 1	tCO ₂ e	-	-	190.78
Scope 2	tCO ₂ e	393.49	558.56	964.55
Scope 3	tCO ₂ e	-	-	381.81

Consistent with the energy profile noted earlier in this report, the gradual increase in Scope 2 emissions is in line with the increase in project volume undertaken by the Group during the year.

WATER MANAGEMENT

Why is it important to us

Water serves as a key input in Varia's operations with its influence on cost management and environmental performance. Accordingly, tighter monitoring and management of water usage is essential to the Group's effort to reduce unnecessary expenditure and contribute to more sustainable operations overall.

Our progress so far

The Group treats responsible water consumption as a standing practice across active facilities, with monitoring and management in place to ensure that resources are used effectively. Overall water consumption has risen during the year in line with the expansion of active project operations — a trajectory consistent with the Group's energy consumption. Continued improvements are being embedded across operations, with refinement of data systems supporting efforts to reduce unnecessary water usage and to contribute to more sustainable operations overall.

FPE2024	FYE2025	FYE2026
16.85	40.53	72.51
Total Water Consumption (Megalitres)		

WASTE & EFFLUENTS

Why is it important to us

For Varia, waste management matters because it cuts down environmental impact and keeps the Group on the right side of regulatory requirements. Metal scraps from our project sites are set aside for recycling, which eases pressure on raw material extraction and lowers the volumes sent for disposal.

Our progress so far

Recyclables from sites scaled up materially during the year. Total material routed to third-party recycling companies rose by approximately 13.97 metric tonnes compared with the previous year, supported by active operations across the wider Group. This continued integration of waste data into management reporting helps us to strengthen accountability in waste management and reinforces the Group's readiness for evolving regulatory requirements.

FYE2025	FYE2026
20.02	33.99
Amount of Metal Scrap Recycled (Metric Tonnes)	

SUSTAINABILITY STATEMENT

(Cont'd)

SOCIAL

Varia's commitment to our people and communities rests on respect for labour and human rights alongside a safe workplace and meaningful community contribution. The Group treats these as connected disciplines that strengthen one another as it is important to us that the working environment shaped for our workforce extends outward into the surrounding community.

LABOUR PRACTICES & STANDARDS

Why is it important to us

Labour and human rights sit at the centre of Varia's social agenda, with policies and day-to-day workforce practices shaped around protection and a constructive workplace culture. Employee wellbeing operates within this frame, supporting inclusivity and collaboration across teams, while dignity and fairness carry through every level of the organisation to sustain internal trust between one another.

Our progress so far

Employee Wellbeing

Dignity, fairness and respect are the foundations Varia's workplace practices sit on. Fair and sustainable wages go alongside safe and inclusive working conditions, with the rights of all employees upheld as a direct expression of these foundations. The working environment sustained through these practices carries trust, equity and mutual respect as everyday norms.

The Group reinforces these commitments through legal alignment with the Employment Act Amendment 2022 and the Minimum Wages Order 2022. Day-to-day operations are guided by labour protections that prohibit child labour, forced labour, and any form of modern slavery.

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

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.

Varia treats the welfare of its employees as a continuing commitment that runs through multiple forms of support. Through our "Tabung Ihsan Kelab Sukan & Kebajikan" and "Sumbangan Ikhlas" welfare initiatives, we provided financial assistance to employees facing difficult family situations.

FYE2025	FYE2026
0	0
Number of substantiated complaints concerning human rights violations	

Beyond financial support, our own Kelab Sukan Varia, in collaboration with KPJ Healthcare (KPJ Rawang & Centre for Sight), we rolled out the Varia Wellness Day 2026. Employees were offered free medical check-ups and health screenings alongside physiotherapy followed by hearing and eye assessments and a health talk session which encouraged a healthier lifestyle.



Tabung Ihsan Kelab Sukan & Kebajikan



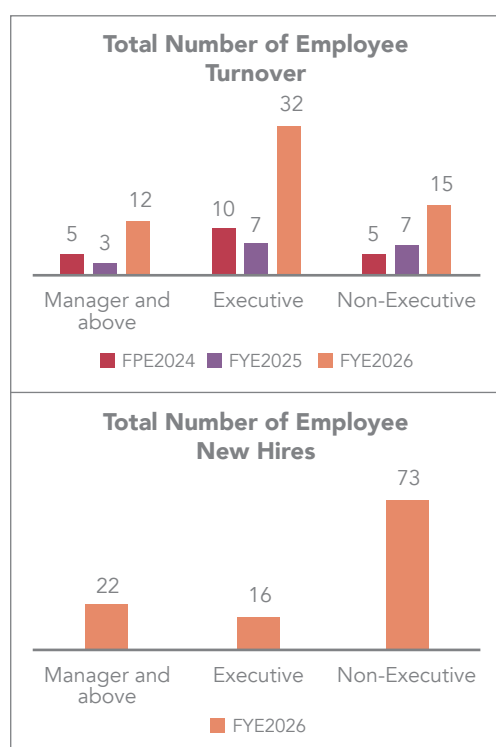
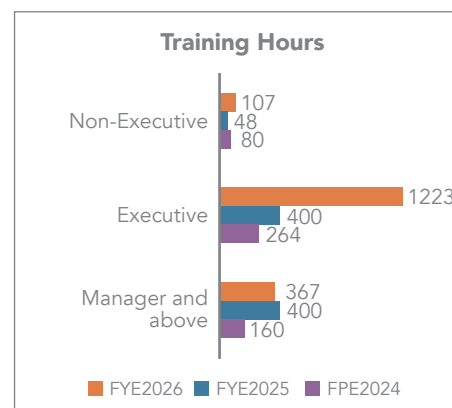
Medical Health Screening

SUSTAINABILITY STATEMENT

(Cont'd)

Employee Learning and Development

Developing talent is fundamental to Varia's growth and shared success. Training is delivered continuously, equipping employees with the knowledge and skills needed for strong current performance. Participation in programmes tailored to job requirements is actively encouraged, keeping core capabilities sharp while opening clear avenues for professional advancement. Supported by our system in place for training reminders introduced this year, our employees completed 1,697 training hours across FYE2026, a level noticeably ahead from the previous year.



Talent Attraction and Retention

Retaining employees is foundational to the Group's long-term growth and stability. The Group focuses on a workplace where each person's contribution is acknowledged and supported, and where conditions encourage employees to stay for the long run.

Competitive benefits alongside opportunities for professional development and a positive working environment all keep people committed to Varia as the business grows. A salary benchmarking exercise was undertaken during the year to provide an indication of how Varia's salary levels position against comparable companies in similar industries. The findings were used as a reference in the review of our salary structure and remuneration levels. This exercise will be carried out annually to ensure the Group remains informed of market trends and competitive in its remuneration practices. On top of that, ongoing succession planning exercises are in place to ensure the availability of a pipeline of competencies to support future business needs.

The Group's employee turnover increased this year due to completion of projects and employment contracts tied to those projects ended without renewal. This was however offset by our new hires for the year, replenishing the manpower lost and bringing in fresh skills and capabilities to support the Group's ongoing and future projects.

We continue to emphasise on our employee engagement activities because it helps us hold onto good people and gives them real reason to stay. Beyond professional growth, the workplace should also feel enjoyable and rewarding. With that in mind, we run activities that bring colleagues together, build friendship across teams and celebrate wins, so everyone has a place that feels good to be part of.



Gift Exchange and Birthday Celebration 2025



Hari Raya Celebration 2026

SUSTAINABILITY STATEMENT

(Cont'd)



Annual Dinner 2026



Local Fruit Festival 2026

Bringing in new talent matters just as much. By positioning ourselves as an employer of choice, we hope to draw people who share our values and bring fresh thinking to the work we do. Our focus on career growth, inclusivity and sustainability, we seek to make Varia more attractive to candidates, helping us build a steady pipeline of talent for the future.

DIVERSITY & EQUAL OPPORTUNITY

Why is it important to us

Varia's approach to diversity rests on a clear principle: capability should stand on its own, separate from gender, background or personal characteristics. The Group recognises talent on its own merits, and the working environment is shaped so the contribution each person brings is what carries weight.

Our progress so far

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

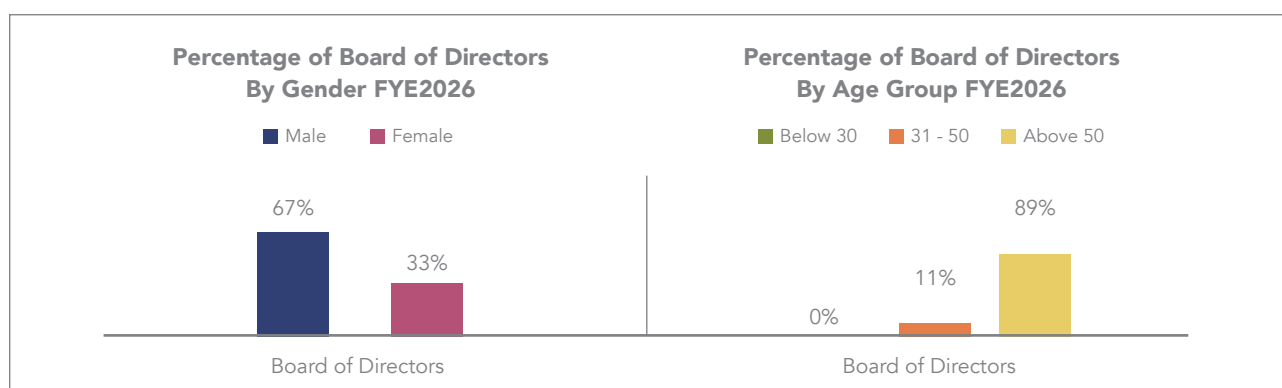
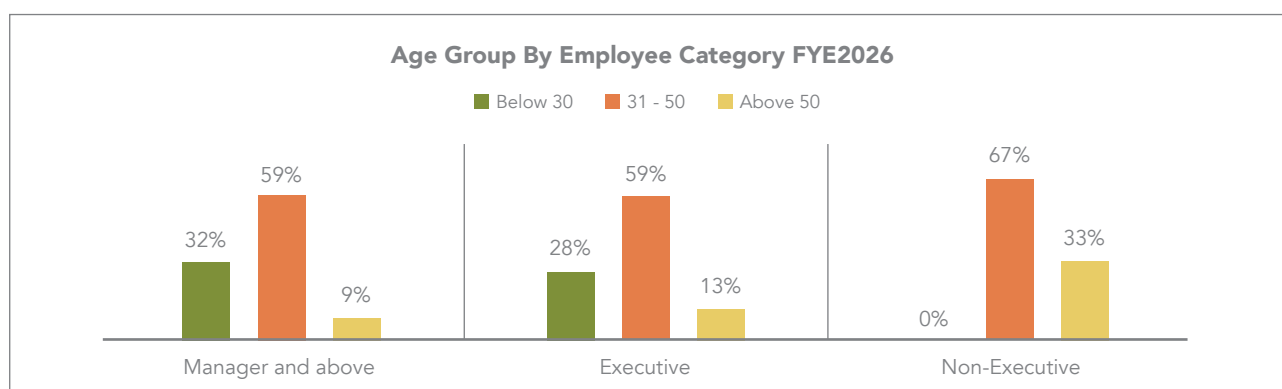
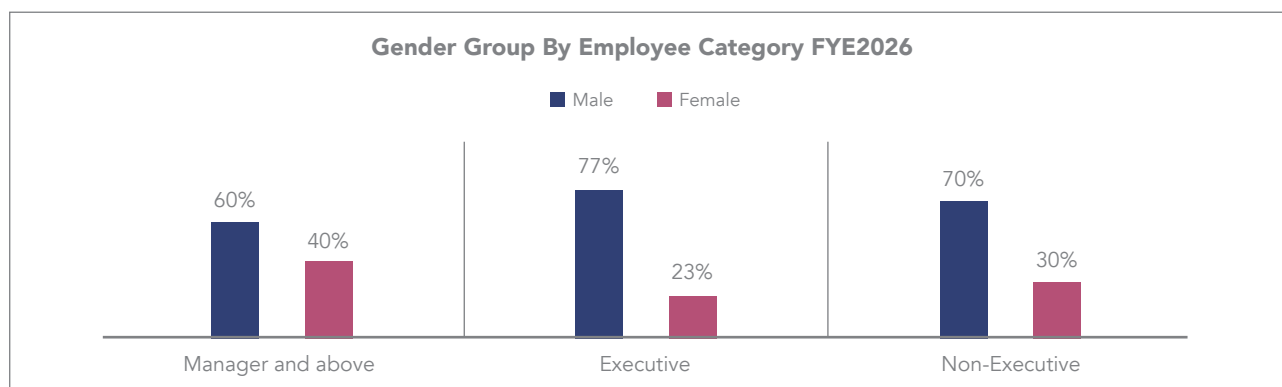
FPE2024	FYE2025	FYE2026
3%*	3%*	3%
Percentage of employees who are contractors or temporary staff		

*Note: The figures for FPE2024 and FYE2025 have been restated.

SUSTAINABILITY STATEMENT

(Cont'd)

Here are the age and gender distributions for Varia as at FYE2026:



SUSTAINABILITY STATEMENT

(Cont'd)

OCCUPATIONAL HEALTH & SAFETY

Why is it important to us

Occupational safety and health is carried as a branch of the sustainability agenda, with working conditions across sites shaped to support employee wellbeing. Day-to-day practice keeps projects running without unnecessary interruption while operations stay aligned with the regulatory requirements in force and the industry best standards set.

Our progress so far

Varia treats occupational health and safety legislation as a strict requirement, and risk factors are monitored on a proactive basis across all operations. Safety culture for both employees and contractors is carried as a standing priority under the Group's health and safety management system, which continues to be refined. Personal Protective Equipment ("PPE") is issued to every employee and site worker as a basic safeguard, while regular safety briefings run alongside practical training and emergency drills to keep awareness and response capability current.

The Group's qualified Safety and Health Officers conduct regular inspections at project sites. Areas requiring attention are surfaced from each inspection, and recommendations are brought to the Safety and Health Committee to guide ongoing improvements. The officers also oversee fire drills at multiple sites, reinforcing both preparedness and safety awareness for employees and contractors.

FPE2024	FYE2025	FYE2026
0	25	158
Number of employees trained on health and safety standards		

FPE2024	FYE2025	FYE2026
0	0	0
Number of work-related fatalities		

For FYE2026 the Group recorded no fatalities and saw the lost time incident rate decline over the year, reflecting the continuing priority placed on workplace safety and ensuring each site continues to operate on safe and secure terms.

FPE2024	FYE2025	FYE2026
0.72	1.03	0.00
Lost Time Incident Rate ("LTIR")		

SUSTAINABILITY STATEMENT

(Cont'd)

SOCIAL CONTRIBUTION

Why is it important to us

The communities around our sites are part of how Varia measures success. Projects only carry lasting value when the surrounding neighbourhoods feel the benefit of the work we've put in. Varia puts weight on community ties as a continuing commitment, one that the Group expects to share between the people it serves and the long-term outcomes of each project.

Our progress so far

The Group's CSR programme is delivered by the Human Resource Department under the umbrella of our Corporate Social Responsibility Policy. The club's activities during the year drew staff into voluntary work tied to local welfare and community outreach, giving team members direct points of participation alongside their day jobs. The reach into community efforts deepens the Group's ties with the neighbourhoods around our operating footprint.



Duit Raya Contribution to Persatuan Kebajikan Rumah Anak Yatim Damai

	Measurement Unit	FPE2024	FYE2025	FYE2026
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	3,750	17,200	3,900
Total number of beneficiaries of the investment in communities	Number	400	501	78

SUSTAINABILITY STATEMENT

(Cont'd)

GOVERNANCE

The Group's approach to sustainability outcomes depends on governance that holds up across operations. Accountability is built into how decisions are made, with ethical considerations guiding how environmental and social objectives translate into tangible outcomes. The oversight structures in place keep risks managed and stakeholder trust intact as the Group advances sustainable progress across operations.

CORPORATE GOVERNANCE & ETHICS

Why is it important to us

Corporate governance and ethics anchor the Group's business culture, shaping how decisions get made and operations are run. Within that culture, risk management and the maintenance of stakeholder trust are treated as built-in outcomes rather than separate goals. The Group holds a firm stance against bribery and corruption, with sensitive data safeguarded through Group-level controls and full compliance maintained against each applicable regulatory requirement.

Our progress so far

Anti-Bribery and Corruption Policy

The Group maintains a strict stance against bribery and corruption across all business operations. Integrity is treated as the working premise behind reliable and sustainable outcomes at every touchpoint.

Varia's Anti-Bribery and Corruption ("ABC") Policy aligns with Section 17A of the MACC Act 2009 and supports 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, evaluating effectiveness and keeping the framework relevant to current operating conditions. The Group recorded no incidences of corruption for FYE2026.

FPE2024	FYE2025	FYE2026
0	0	0
Confirmed incidences of corruption and action taken		

FPE2024	FYE2025	FYE2026
0%	100%	100%
Percentage of operations assessed for corruption-related risks		

Varia's Internal Audit Department continued the practice of conducting Anti-Bribery and Corruption assessments for appointed subcontractors during the year. Under the Group's ABC Policy, appointed subcontractors submitted the Anti-Bribery and Corruption Declaration ("ABCD"), complemented by interviews with project staff alongside random checks during site audits to ensure compliance.

Lastly, anti-corruption training is delivered to all new recruits as part of the Group's compliance discipline, keeping awareness of the ethics and compliance standards in place. Moving forward, we will roll out group-wide anti-bribery and corruption awareness campaigns to strengthen employee awareness and support our progress toward the target of 100% training completion across all employees.

	FPE2024	FYE2025	FYE2026
Percentage of employees who have received training on anti-corruption by employee category:			
- Managers and above	55%	26%	46%
- Executive	42%	32%	21%
- Non-Executive	32%	4%	34%

SUSTAINABILITY STATEMENT

(Cont'd)

Whistleblowing Policy

The Group's Whistleblowing Policy sits as the second layer of Varia's anti-corruption framework alongside the ABC Policy. Employees and external stakeholders are given a secure and confidential channel through which instances of misconduct or unethical behaviour can be raised. The channel is set up for open communication, with protection built into its design so disclosures can come forward without fear. Information routed through this channel reaches internal review on a timely basis, allowing potential instances of corruption to be addressed while internal controls are reinforced.

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

Reports received through the channel are analysed by the Internal Auditor designated by the Audit Committee. Findings are then brought to the Audit Committee or the Board of Directors, where the appropriate steps are worked out.

Investigation results are presented at the Audit Committee meeting. Reports or findings requiring attention and approval are escalated to the Board of Directors.

All reports and disclosures are treated as sensitive. They are shared only on a need-to-know basis, or where the law, court or relevant authority requires disclosure. Every effort is made to handle reports with the utmost confidentiality, and the whistleblower's identity and details stay strictly private unless the whistleblower chooses to disclose them.

DATA PRIVACY

Why is it important to us

Digital reliance has made secure handling of data a working requirement across today's businesses. Varia sits within this expectation, with strong data management treated as essential to both smooth operations and good corporate governance. The Group holds customer personal and confidential information to that same standard, given that any loss or misuse carries serious operational disruption alongside reputational harm for the Group.

Our progress so far

The Group's Data Privacy Policy aligns with the Personal Data Protection Act 2010 (PDPA) and sets clear guidelines on collection, handling and storage of personal data. The principles governing the policy are applied across all operations, with corresponding IT protocols and preventive measures deployed Group-wide to safeguard digital systems and data assets. For FYE2026, the Group recorded no substantiated complaints concerning breaches of customer privacy, reflecting the effectiveness of data-protection initiatives across the Group.

FYE2024	FYE2025	FYE2026
0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		

SUSTAINABILITY STATEMENT

(Cont'd)

PERFORMANCE TARGETS

Varia continues to set formal sustainability-related targets as part of its ongoing commitment to enhancing sustainability practices. The Group shapes these targets with meaning and measurement built in, keeping achievability as a live consideration. The targets set for the upcoming financial year reflect a forward-looking approach and may be adjusted in response to market conditions or external developments beyond the Group's control. Targets are reviewed on an annual basis, and the Group is exploring longer-term targets to support alignment with the broader sustainability strategy and objectives.

Sustainability Pillars	Targets FYE 2026	Status	Targets FYE 2027
Economic - Economic Performance - Supply Chain Control	Maintain 100% procurement from local suppliers	Achieved	-
Environmental - Climate Change - Energy - Water Management - Waste & Effluents	Achievement of ISO 14001:2015 Environmental Management Systems.	In progress	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	Achieved	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.	Achieved	Maintain zero work-related fatalities and maintain accident-related LTIR to ≤ 1 supported by enhanced safety training programs, stricter enforcement of site safety protocols, and closer monitoring of contractors' safety practices.
	-	-	Achievement of ISO 45001 Occupational Health and Safety Management System.
	Implementation of minimum of three CSR activities with direct community impact, demonstrating our ongoing commitment to strengthen relationships and contribute meaningfully to local communities.	Not Achieved	Implementation of minimum of three CSR activities with direct community impact, demonstrating our ongoing commitment to strengthen relationships and contribute meaningfully to local communities.

SUSTAINABILITY STATEMENT

(Cont'd)

Sustainability Pillars	Targets FYE 2026	Status	Targets FYE 2027
Governance • Corporate Governance & Ethics • Data Privacy	Maintain zero confirmed incidents of corruption (zero tolerance policy).	Achieved	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 Group's standards of conduct.	In progress	Achieve 100% employee participation in Code of Ethics and Anti-Bribery training, ensuring that all staff understand and uphold the Group's standards of conduct.
	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	Achieved	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data

SUSTAINABILITY STATEMENT

(Cont'd)

FORWARD LOOKING STATEMENT

Varia treats robust sustainability reporting as a working driver of continual improvement. The Group's disclosure trajectory is shaped to keep pace with the latest Bursa Malaysia reporting requirements and Malaysia's National Sustainability Reporting Framework ("NSRF"), alongside the anticipated adoption of IFRS S1 and S2.

The Group keeps focus on core business operations while continuing to work towards the targets set for the coming year and exploring additional sustainability-related initiatives to enhance 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)

VARIA BERHAD

BMLR Transition Period

Date & Time: 2026-10-09_17:07:23
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Corporate Governance & Ethics	C1(a) Percentage of employees who have received training on anti-corruption by employees category - Manager and above	Percentage	—	46	—	Internal
Corporate Governance & Ethics	C1(a) Percentage of employees who have received training on anti-corruption by employees category - Executive	Percentage	—	21	—	Internal
Corporate Governance & Ethics	C1(a) Percentage of employees who have received training on anti-corruption by employees category - Non-Executive	Percentage	—	34	—	Internal
Corporate Governance & Ethics	C1(b) Percentage of operations assessed for corruption-related risks	Percentage	—	100	—	Internal
Corporate Governance & Ethics	C1(c) Confirmed incidents of corruption and action taken	Number	—	0	—	Internal
Community Engagement	C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	—	3,900	—	Internal
Community Engagement	C2(b) Total number of beneficiaries of the investment in communities	Number	—	78	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Manager and above (Below 31)	Percentage	—	32	—	Internal

SUSTAINABILITY
STATEMENT
(Cont'd)

VARIA BERHAD

BMLR Transition Period

Date & Time: 2026-10-09,17:07:23

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Manager and above (31-50)	Percentage	—	59	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Manager and above (Above 50)	Percentage	—	9	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Executive (Below 31)	Percentage	—	28	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Executive (31-50)	Percentage	—	59	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Executive (Above 50)	Percentage	—	13	—	Internal

SUSTAINABILITY STATEMENT

(Cont'd)

VARIA BERHAD

BMLR Transition Period

Date & Time: 2026-10-09_17:07:23
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Non-Executives (Below 31)	Percentage	—	0	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Non-Executives (31-50)	Percentage	—	67	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category - Non-Executives (Above 50)	Percentage	—	33	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Manager and above (Male)	Percentage	—	60	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Manager and above (Female)	Percentage	—	40	—	Internal

SUSTAINABILITY
STATEMENT
(Cont'd)

VARIA BERHAD

BMLR Transition Period

Date & Time: 2026-10-09,17:07:23

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Executive (Male)	Percentage	—	77	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Executive (Female)	Percentage	—	23	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Non-Executive (Male)	Percentage	—	70	—	Internal
Diversity and Equal Opportunity	C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category - Non-Executive (Female)	Percentage	—	30	—	Internal
Diversity and Equal Opportunity	C3(b) Percentage of directors by gender and age group - Male	Percentage	—	67	—	Internal
Diversity and Equal Opportunity	C3(b) Percentage of directors by gender and age group - Female	Percentage	—	33	—	Internal
Diversity and Equal Opportunity	C3(b) Percentage of directors by gender and age group - Below 31	Percentage	—	0	—	Internal

SUSTAINABILITY STATEMENT

(Cont'd)

Date & Time: 2026-10-09_17:07:23
Main Market | Group 2 | FYE 30/06/2026

VARIA BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity and Equal Opportunity	C3(b) Percentage of directors by gender and age group - 31-50	Percentage	—	0	—	Internal
Diversity and Equal Opportunity	C3(b) Percentage of directors by gender and age group - Above 50	Percentage	—	100	—	Internal
Energy	C4(a) Total energy consumption	Gigajoules	—	4,486	—	Internal
Occupational Health & Safety	C5(a) Number of work-related fatalities	Number	—	0	—	Internal
Occupational Health & Safety	C5(b) Lost time incident rate	Rate	—	0	—	Internal
Occupational Health & Safety	C5(c) Number of employees trained on health and safety standards	Number	—	158	—	Internal
Labour Practices & Standards	C6(a) Total hours of training by employee category - Manager and above	Hours	—	367	—	Internal
Labour Practices & Standards	C6(a) Total hours of training by employee category - Executive	Hours	—	1,223	—	Internal
Labour Practices & Standards	C6(a) Total hours of training by employee category - Non-Executive	Hours	—	107	—	Internal
Diversity and Equal Opportunity	C6(b) Percentage of employees that are contractors or temporary staff	Percentage	—	3	—	Internal
Labour Practices & Standards	C6(c) Total number of employee turnover by employee category - Manager and above	Number	—	12	—	Internal

SUSTAINABILITY
STATEMENT
(Cont'd)

VARIA BERHAD

BMLR Transition Period

Date & Time: 2026-10-09,17:07:23

Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Practices & Standards	C6(c) Total number of employee turnover by employee category - Executive	Number	—	32	—	Internal
Labour Practices & Standards	C6(c) Total number of employee turnover by employee category - Non-Executive	Number	—	15	—	Internal
Labour Practices & Standards	C6(d) Number of substantiated complaints concerning human rights violations	Number	—	0	—	Internal
Supply Chain Control	C7(a) Proportion of spending on local suppliers	Percentage	—	100	—	Internal
Data Privacy	C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	—	0	—	Internal
Water Management	C9(a) Total volume of water used	Megalitres	—	72.51	—	Internal

SUSTAINABILITY STATEMENT

(Cont'd)

STATEMENT OF ASSURANCE

Statement of Assurance on the Sustainability Statement 2026 to the Board of Directors of Varia Berhad ("Varia"). The Audit Committee of Varia requested the Internal Audit Department to provide an Internal Assurance review of the Sustainability Statement ("SS2026") of Varia, as published in its annual report for the financial year ended 30 June 2026.

Scope of Work

The scope of the Internal Assurance review was limited to the Subject Matters presented in the SS2026 and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matters and related disclosures; nor did it include information reported outside of the SS2026, 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.

Subject Matters

The Internal Assurance review covered the following indicators:

Material Sustainability Matters	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 / Society	- 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 Management	Total energy consumption.
Health, Safety & Security	- Number of work-related fatalities; - Lost time incident rate; and - Number of employees trained on health and safety standards.
Labour Practices and Standard	- 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 Management	Proportion of spending on local suppliers
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.
Water	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 Subject Matters including:
 - Undertaking analytical procedures to support the reasonableness of the data;
 - Verifying that the calculation methodologies for the Subject Matters 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 SS2026. Our Statement of Assurance is confined to the Subject Matters disclosed in the SS2026 as approved by the Board of Directors. We do not accept responsibility for any subsequent changes to the Subject Matters 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 Subject Matters presented in the SS2026 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 report 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 SS2026, to assist the Board of Directors in fulfilling their governance responsibilities by obtaining an independent limited assurance report on the Subject Matters. We will not accept any liability or responsibility to any other party to whom our report is shown.

Internal Audit Department

Varia Berhad
22 October 2026

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 2026.

The Group's detailed application of each practice as set out in the MCCG for financial year ended 30 June 2026 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 a 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 Company'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, 1 Non-Independent Executive Director, 4 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 3 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. Accordingly, the Board has achieved the 30% women Directors as recommended under the MCGG.

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 5 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 2026, the Board convened 7 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	6/7
Datuk Lau Beng Wei	6/7
Datuk Lau Beng Sin	7/7
Datuk Wira Roslan bin Ab Rahman	6/7
Datuk Kok Boon Kiat	7/7
Datin Wang Poh Chin (<i>appointed on 15 April 2026</i>)	2/2*
Shahrizam bin A Shukor	7/7
Sharifah Rafidah binti Wan Mansor	7/7
Lailatul Azma binti Abdullah	7/7

* 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 is pleased to note that the Company has achieved its target of at least 30% female representation on the Board of Varia. The Company recognises and values the significant contributions that women bring to the Board, enhancing its diversity of perspectives and overall effectiveness. Moving forward, the Board remains committed to maintaining an appropriate level of gender diversity and ensuring that Board appointments continue to be guided by merit, skills, experience and diversity considerations.

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.

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")

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) Datuk Kok Boon Kiat
- (c) Lailatul Azma binti Abdullah

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 any increase or revision in Directors' remuneration in all its forms, with the respective Directors abstaining from deliberation and decision-making on matters relating to 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 2026:-

- (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.

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

With regards to Board evaluation, the NRC has reviewed and assessed the following factors for financial year ended 30 June 2026:-

- (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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

2. BOARD COMPOSITION (CONT'D)

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.

The training programmes attended by the Directors during the financial year ended 30 June 2026 were as follows:-

Directors	Title of programmes
Dato' Sri Dr Mohd Nizom bin Sairi	- National Tax Conference 2025 - Anti-Corruption Briefing
Datuk Lau Beng Wei	Anti-Corruption Briefing
Datuk Lau Beng Sin	Anti-Corruption Briefing
Datuk Wira Roslan bin Ab Rahman	- Practical ChatGPT Skills Training for Leaders - Directors e-Invoicing briefing - Anti-Corruption Briefing
Datuk Kok Boon Kiat	Anti-Corruption Briefing
Datin Wang Poh Chin	- Mandatory Accreditation Programme Part I - Anti-Corruption Briefing
Shahrizam bin A Shukor	- Is preparing capital statement mandatory? - National Tax Conference 2025 - Understanding Tax Deductibility of Expenses - Budget 2026 - Anti-Corruption Briefing
Sharifah Rafidah binti Wan Mansor	Anti-Corruption Briefing
Lailatul Azma binti Abdullah	- From Curiosity to Control: Board Intelligence in the Age of AI - Anti-Corruption Briefing

3. REMUNERATION

The remuneration for the Non-Executive Directors is decided by the Board as a whole. The Board recommends the Directors' fee 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

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

3. REMUNERATION (CONT'D)

Detailed information on the remuneration of each Director for financial year ended 30 June 2026, 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, all 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 2026 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.

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 has been provided in their annual audit plan, which was presented to the Audit Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

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, all of whom are 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

3. Accountability and audit (Cont'd)

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

2. Conduct of general meetings (Cont'd)

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 27 August 2026.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") report of Varia for the financial year ended 30 June 2026 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 - Independent Non-Executive Director

Lailatul Azma binti Abdullah - Independent Non-Executive Director

The AC is made up of no fewer than 3 members, all 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 7 meetings during the financial year ended 30 June 2026. Details of attendance of each AC member is as follows:-

Name of AC Member	No. of AC Meetings Attended
Shahrizam bin A Shukor	7/7
Datuk Wira Roslan bin Ab Rahman	7/7
Lailatul Azma binti Abdullah	7/7

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 2026 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 2026 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 recommendation to the Board; and
11. Reviewed the Statement on Risk Management and Internal Control and the AC Report before tabling to the Board for approval to be published in the Annual Report.
12. Reviewed the Group's Delegation Authority Limit to ensure that the delegated authority levels remained appropriate and aligned with the Group's operational and governance requirements and recommended the same to the Board for consideration and approval.

AUDIT COMMITTEE REPORT (Cont'd)

ACTIVITIES AND WORK OF THE AC (CONT'D)

During the financial year ended 30 June 2026, 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 that raises the questions of management integrity.

An annual assessment on the performance and effectiveness of the AC and its members for the financial year ended 30 June 2026 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 Global Internal Audit Standards.

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 2026, 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 July 2025 to September 2025	Pembinaan Mewah Kota Sdn Bhd (Formerly known as Mewah Kota Sdn Bhd)	Construction and Project Management
		Varia Berhad	Related Party Transaction ("RPT") and Recurrent Related Party Transaction ("RRPT")
2.	Quarter 2 from October 2025 to December 2025	Varia Berhad	Operational
			RPT and RRPT
			Statement on Risk Management and Internal Control (SORMIC) 2025
3.	Quarter 3 from January 2026 to March 2026	Pembinaan Teguh Maju Sdn Bhd ("PTM")	Construction and Project Management
		Varia Berhad	Operational
			RPT and RRPT
4.	Quarter 4 from April 2026 to June 2026	PTM	Construction and Project Management
		Varia Berhad	RPT and RRPT

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), 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 Audit Committee and Risk Management Committee whose members consist of one (1) Senior Independent Non-Executive Director, and two (2) Independent Non-Executive Directors.

ii. Risk Management Committee ("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. Audit Committee ("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 section of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

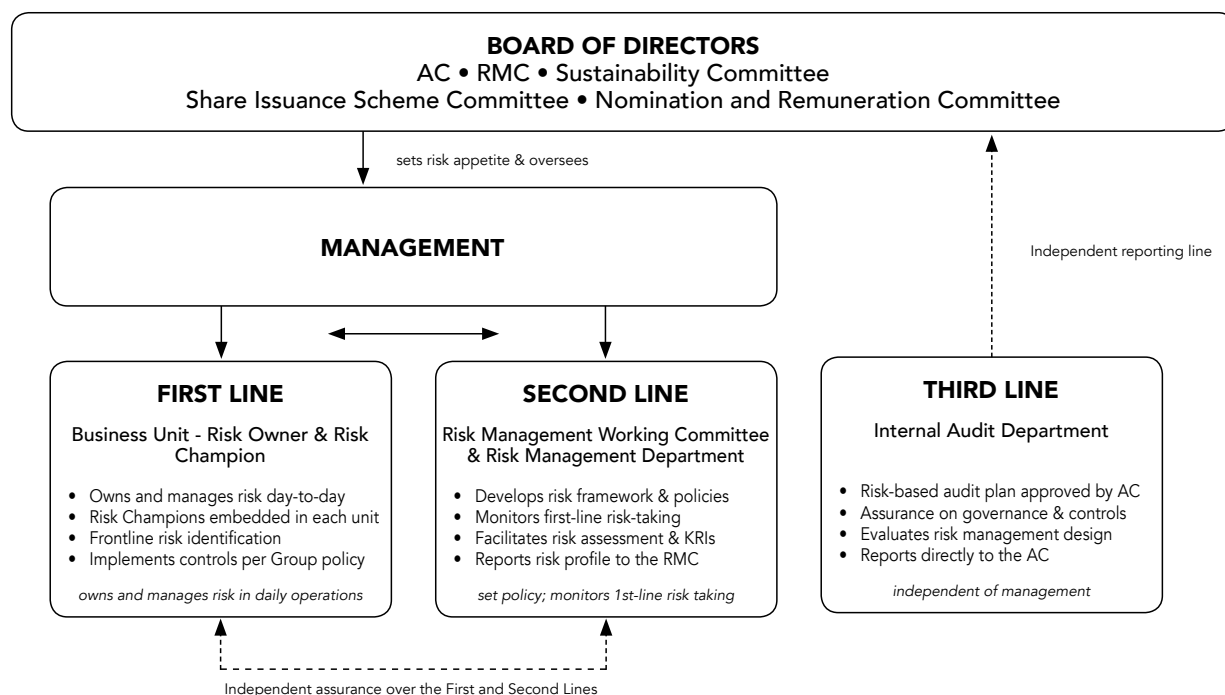
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B. REPORTING STRUCTURE

The risk management framework governs all risk management activities within the Group, from risk identification through to reporting on hazards that could threaten the achievement of company objectives using relevant risk indicators to keep risk profiles within the criteria set by the framework. The first line comprises Business Unit as risk owner's/risk champions (who own and manage risk in daily operations). Then the second line is the Risk Management Department and Risk Management Working Committee which set policy and monitor the first line. Lastly, the third line is Internal Audit which provides independent assurance to the AC and the Board. These processes remained in effect throughout the year under review.

The reporting structure for risk management in the Group is illustrated as below:

VARIA BERHAD GROUP - Governance & Reporting Structure



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(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 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:-

- AC
- RMC
- Sustainability Committee
- Share Issuance Scheme Committee
- Nomination and Remuneration Committee

ii. Management meetings

The following are the various types of Management meetings conducted:

Type of Management meetings	Frequency
Executive Committee ("EXCO") meetings Attending to Group operational matters, improving business performance and assisting the Board of Directors in fulfilling fiduciary responsibilities. It also reviews procedures 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, RMC and EXCO by recommending improvements, monitoring operations and keeping Department Heads informed.	Monthly

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (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 maintains a documented set of policies and procedures designed to promote consistency, strengthen governance and support day-to-day business operations. Policies are approved at Board level, establishing the overall tone for control consciousness across the Group while procedures are approved by EXCO to guide operational execution.

ii. Certifications

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

- a. PTM certified since 2023 – The Provision of Construction Services for Building and Infrastructure Project; and
- b. PMK obtained certificate since 2009 – Project Management for Building Construction and Civil Engineering Works.

iii. Delegation Authority Limit ("DAL")

DAL outlines a strong governance system, address legal aspects and ensure consistent approval routing and compile governance for matters reserved for Board's 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 for the Group. In addition, Section 17A MACC Act 2009 (Amendment 2018) has been addressed in the policy.

Related information and documentation are available on the Company's website at www.varia.com.my.

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 ABCP, clause 9, "Business Partners and Their Conduct," which is available on the Company's website at www.varia.com.my.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

C. INTERNAL CONTROL (CONT'D)

2. CONTROL ACTIVITIES (CONT'D)

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 report can be logged by email to whistleblowing@varia.com.my.

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 on the Company's website at 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

Internal Audit

The Group maintains an in-house Internal Audit ("IA") function that provides the Board, through the AC, with independent assurance on the adequacy and effectiveness of governance and on the application of policies, processes, risk management and internal control systems across the Group. IA carries out its work in accordance with the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors, applying a risk-based methodology to review key processes across the Group's business units, and reports directly to the AC on the state of risk management and internal control in the business units audited during the financial year.

The IA work is carried out under an annual risk-based audit plan, which the AC reviews and approves after incorporating input from the Management. For the financial year under review, the AC approved a plan covering the identified priority areas and internal controls were periodically tested and evaluated to assess their adequacy and effectiveness.

The results of all audit exercises including follow-up audit reports will be presented and discussed in the AC Meeting. The responsibilities of the IA are outlined in the Internal Audit Charter's which is approved by the AC.

As at the date of this Statement, the IA is headed by Mohd Syahir Jalani with extensive experience in construction and property including other various industry. He holds a Bachelor of Accounting with a member of the Institute of Internal Auditor Malaysia ("IIAM"). The AC has confirmed that the person responsible for internal audit has the relevant experience, sufficient standing and authority, and the necessary competency and resources, to discharge the IA function effectively, in accordance with Practice 11.2 of the MCCG 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (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 adequacy and effectiveness of the Group's risk management and internal control system is reviewed by the RMC twice a year on a half-yearly basis with the results of these reviews including any periodic testing of key controls and reported to the Board. Where control weaknesses are identified, remediation plans are tracked to completion and reported to the RMC until resolved. No significant deficiencies requiring separate disclosure were noted from these reviews for the financial year under review.

E. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements of Bursa Securities, 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 2026. 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 have 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 22 October 2026.

OTHER COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

There were no proceeds raised by the Company from any corporate proposals during the financial year under review.

2. AUDIT AND NON-AUDIT FEES

During the financial year ended 30 June 2026, the amount of audit and non-audit fees paid to Baker Tilly Monteiro Heng PLT, the external auditors were as follows:-

	Company (RM)	Group (RM)
Audit Fees	128,500	324,000
Non-Audit Fees	31,200	32,200

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 2026 or entered into since the end of the previous financial year.

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.

5. INTERNAL AUDIT FUNCTION

During the financial year under review, the Company's internal audit function was carried out in-house. The total cost incurred in respect of the internal audit function for the financial year amounted to RM302,827.65.

6. SHARE ISSUANCE SCHEME

The Company has one (1) Share Issuance Scheme ("SIS") in existence during the financial year under review, which was implemented on 5 May 2021 for an initial period of five (5) years. The SIS has since been extended for a further period of five (5) years and will expire on 4 May 2031.

(a) The number of SIS Options currently in existence during the financial year ended 30 June 2026:-

Description	No. of SIS Options as at 30 June 2026
Granted	13,395,000
Exercised	15,000
Forfeited	3,920,000
Outstanding	9,460,000

OTHER COMPLIANCE INFORMATION

(Cont'd)

6. SHARE ISSUANCE SCHEME (CONT'D)

(b) SIS Options granted to each category of participants:-

	Directors	Key Senior Management	Remaining Employees
Date of offer – 1 April 2026			
Exercise price – RM0.77			
Aggregate SIS Options granted			
Number	2,560,000	1,550,000	9,285,000
Percentage	19%	12%	69%
Number of participants	8	11	186
Aggregate SIS Options exercised			
Number	0	0	15,000
Percentage	0	0	0.11%
Number of participants	0	0	1
Forfeited (SIS Options)	0	0	3,920,000
Aggregate of SIS Options as at 1 July 2025	0	0	0
Aggregate of SIS Options as at 30 June 2026	2,560,000	1,550,000	5,350,000

(c) SIS Options granted to Directors and Senior Management during financial year ended 30 June 2026 and since commencement of SIS.

Directors and Senior Management	During the financial year ended 30 June 2026	Since commencement up to 30 June 2026
Aggregate maximum allocation	8.5%	8.5%
Actual granted	6.3%	6.3%

(d) SIS Options granted and exercised by the Non-Executive Directors during financial year ended 30 June 2026:-

Non-Executive Directors	No. of SIS Options granted	No. of SIS Options exercised
Dato' Sri Dr. Mohd Nizom bin Sairi	280,000	–
Datuk Wira Roslan bin Ab Rahman	200,000	–
Datuk Kok Boon Kiat	200,000	–
Shahrizam bin A Shukor	200,000	–
Sharifah Rafidah binti Wan Mansor	200,000	–
Lailatul Azma binti Abdullah	200,000	–
Total	1,280,000	–

FINANCIAL STATEMENTS

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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 2026.

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	42,043,354	(12,654,678)
Attributable to:		
Owners of the Company	42,097,797	(12,654,678)
Non-controlling interests	(54,443)	–
	42,043,354	(12,654,678)

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2026.

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 RM356,200 and RM159,700 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 issued 15,000 new ordinary shares pursuant to the exercise of the Company's Share Issuance Scheme ("SIS") amounting to RM17,150.

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year, other than the issue of options pursuant to the Share Issuance Scheme ("SIS").

On 1 April 2026, the Company announced an issuance of 13,395,000 options under SIS approved by the shareholders on 1 April 2021 and further extended to 4 May 2031, at an option price of RM0.77 to eligible directors and employees of the Group and the Company.

The options offered for the subscription of unissued ordinary shares and the respective exercise prices are as follows:

Grant date	Expiry date	Exercise price	Number of option over ordinary shares				At 30.6.2026
			At 1.7.2025	Granted	Forfeited	Exercised	
1 April 2026	4 May 2031	RM 0.77	–	13,395,000	(3,920,000)	(15,000)	9,460,000

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 Wira Roslan bin Ab Rahman
 Datuk Kok Boon Kiat
 Shahrizam bin A Shukor
 Sharifah Rafidah binti Wan Mansor
 Lailatul Azma binti Abdullah
 Datin Wang Poh Chin
 Datuk Manivannan A/L Ganapathy

(Appointed on 15 April 2026)
 (Retired on 27 November 2025)

* Directors of the Company and certain subsidiaries

DIRECTORS' REPORT (Cont'd)

DIRECTORS (CONT'D)

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
Datuk Raizita binti Ahmad @ Harun
Datuk Koay Xing Boon
Datuk Nazri bin Mohd Zain
Mahathir bin Mohamad Tahir
Dato' (Dr.) Mohd Azril bin Zainal

(Appointed on 29 September 2026)

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:

	1.7.2025/ Date of appointment	Number of ordinary shares		At 30.6.2026
		Bought/ Transferred	Sold/ Transferred	
Interests in the Company				
Direct interests:				
Datuk Lau Beng Wei	131,008,000	–	3,000,000	128,008,000
Datuk Lau Beng Sin	95,922,000	–	–	95,922,000
Datin Wang Poh Chin	3,000,000	–	–	3,000,000
Indirect interests:				
Datuk Lau Beng Wei*^	29,113,100	3,000,000	–	32,113,100
Datuk Lau Beng Sin*	29,113,100	–	–	29,113,100
Datin Wang Poh Chin^#	157,121,100	–	–	157,121,100

	At 1.7.2025/ Date of appointment	Number of option over ordinary shares		At 30.6.2026
		Granted	Exercised	
Dato' Sri Dr. Mohd Nizom Bin Sairi	–	280,000	–	280,000
Datuk Lau Beng Wei	–	650,000	–	650,000
Datuk Lau Beng Sin	–	630,000	–	630,000
Datuk Wira Roslan Bin Ab Rahman	–	200,000	–	200,000
Datuk Kok Boon Kiat	–	200,000	–	200,000
Shahrizam Bin A Shukor	–	200,000	–	200,000
Sharifah Rafidah Binti Wan Mansor	–	200,000	–	200,000
Lailatul Azma Binti Abdullah	–	200,000	–	200,000

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

^ Shares held through spouse in which the spouse has substantial financial interests.

Shares held indirectly through the spouse's interest in a company in which the spouse has substantial financial interests.

DIRECTORS' REPORT

(Cont'd)

DIRECTORS' INTERESTS(CONT'D)

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, Datuk Lau Beng Sin and Datin Wang Poh Chin 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 year, 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	2026 Company RM
Directors of the Company		
Executive directors		
- Other emoluments	2,407,405	1,127,212
	2,407,405	1,127,212
Non-executive directors		
- Fees	358,133	358,133
- Other emoluments	228,325	228,325
	586,458	586,458
	2,993,863	1,713,670

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, other than those arising from the share options granted under the Share Issuance Scheme.

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 RM11,813 respectively.

DIRECTORS' REPORT (Cont'd)

SUBSIDIARIES

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

Name of company	Principal place of business/ Country of incorporation	Ownership interest 2026 %	Principal activities
Pembinaan Teguh Maju Sdn. Bhd.	Malaysia	100	Business of general contractors, construction of buildings, residential, roads and other construction activities.
Pembinaan Mewah Kota Sdn. Bhd. (formerly known as 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.	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.	Malaysia	100	Inactive.
Ababil Perkasa Sdn. Bhd.	Malaysia	100	Inactive.
Semarak Niaga Lanskap Sdn. Bhd.	Malaysia	100	Inactive.
WCEX Holdings Sdn. Bhd.	Malaysia	100	Dormant.
WCEX Expressway Sdn. Bhd.	Malaysia	100	Dormant.
Lebuhraya Varia Holdings Sdn. Bhd. (formerly known as WCEX Maju Sdn. Bhd.)	Malaysia	100	Dormant.
Varia Marine & Offshore Sdn. Bhd.	Malaysia	60	Dormant.
Varia Properties Sdn. Bhd.	Malaysia	100	Property development.

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 2026 %	Principal activities
Subsidiaries of Varia Properties Sdn. Bhd.			
Varia Crest Sdn. Bhd.	Malaysia	100	Property development.
Varia Era Sdn. Bhd.	Malaysia	100	Property development.
Varia Southrise Sdn. Bhd.	Malaysia	100	Property development.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- (a) On 24 November 2025, Varia Crest Sdn. Bhd. ("VCSB"), a wholly-owned subsidiary of Varia Properties Sdn. Bhd. ("VPSB"), which in turn is a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement ("JVA") with Citaglobal Property Development Sdn. Bhd. to undertake a mixed-use development on a piece of 99-year leasehold commercial land held under Master Title PN 27027, Lot 147, Seksyen 87, Mukim Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur. The leasehold land is scheduled to expire on 29 December 2093 and is currently intended for commercial development purposes. The proposed development is currently at the planning stage and is intended to comprise a mixed-use development with office and commercial components. The estimated gross development value of the project is approximately RM600 million.

On 4 June 2026, VCSB has fulfilled all conditions precedent as stipulated in the JVA. Accordingly, the JVA has become unconditional and has been completed in accordance with its terms.

- (b) On 29 May 2026, Varia Era Sdn. Bhd. ("VESB"), a wholly-owned subsidiary of VPSB, which in turn is a wholly-owned subsidiary of the Company, entered into Joint Development Agreement with Cahaya Nusantara Sdn. Bhd. to jointly develop a piece of freehold land held under Title No. Hakmilik Sementara Daftar 11001, PT13110, Presint 7, Bandar Putrajaya, District of Putrajaya, State of Wilayah Persekutuan Putrajaya comprising in area of 27,585 square metre (approximately 6.82 acres) ("Land") into a mixed development estate within the Land.

As of the report date, the conditions precedent have yet to be fulfilled.

- (c) On 9 June 2026, Varia Southrise Sdn. Bhd. ("VSSB"), a wholly-owned subsidiary of VPSB, which in turn is a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement ("JVA") with Seri Alam Properties Sdn. Bhd., to jointly develop a piece of freehold land held under Individual Title Geran 264634, Lot 89848, Mukim Plentong in the district of Johor Bahru, Negeri Johor measuring approximately 43,810 square metres, which is located in Bandar Seri Alam, Johor Bahru for a proposed residential development within the Land comprising 2 blocks of 20 and 21 storey each of medium-cost stratified apartments (totaling 645 units) with all ancillary facilities including one (1) unit of TNB sub-station and other facilities/amenities.

On 31 July 2026, VSSB has fulfilled all conditions precedent as stipulated in the JVA. Accordingly, the JVA has become unconditional and has been completed in accordance with its terms.

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: 22 October 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2026

			Group		Company
	Note	2026 RM	2025 RM	2026 RM	2025 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	11,492,412	12,223,221	1,661,551	2,075,524
Investment properties	6	11,840,000	11,580,000	–	–
Inventories	7	26,341,965	15,074,302	–	–
Intangible assets	8	391,242,486	413,953,072	–	–
Investment in subsidiaries	9	–	–	497,769,783	496,021,679
Prepayments	11	7,841,144	10,129,303	–	–
Total non-current assets		448,758,007	462,959,898	499,431,334	498,097,203
Current assets					
Inventories	7	113,862,196	8,385,791	–	–
Tax assets		74,475	890,687	–	–
Trade receivables	10	204,037,638	144,761,133	–	–
Other receivables, deposits and prepayments	11	63,333,369	33,969,020	735,431	675,232
Amounts due from subsidiaries	12	–	–	21,962,034	651,295
Contract assets	13	312,308,214	57,391,863	–	–
Contract costs	14	627,376	294,617	–	–
Deposits, cash and bank balances	15	46,917,917	25,664,935	4,598,954	2,718,904
Total current assets		741,161,185	271,358,046	27,296,419	4,045,431
TOTAL ASSETS		1,189,919,192	734,317,944	526,727,753	502,142,634

STATEMENTS OF FINANCIAL POSITION

(Cont'd)

			Group		Company
	Note	2026 RM	2025 RM	2026 RM	2025 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	394,403,958	394,386,808	394,403,958	394,386,808
Share option reserve	17	1,105,625	–	1,105,625	–
Retained earnings/(Accumulated losses)		50,265,022	8,167,225	(38,529,736)	(25,875,058)
		445,774,605	402,554,033	356,979,847	368,511,750
Non-controlling interests		(50,443)	–	–	–
TOTAL EQUITY		445,724,162	402,554,033	356,979,847	368,511,750
Non-current liabilities					
Loans and borrowings	18	83,396,381	61,728,371	78,909,318	57,985,040
Deferred tax liabilities	19	5,843,236	11,064,610	–	–
Other payables	21	59,310,096	–	–	–
Total non-current liabilities		148,549,713	72,792,981	78,909,318	57,985,040
Current liabilities					
Loans and borrowings	18	176,666,310	70,259,118	27,870,809	27,858,736
Tax liabilities		13,990,985	134,283	–	–
Trade payables	20	343,884,046	133,477,945	–	–
Other payables, accruals and deposits	21	24,047,267	665,719	593,526	151,639
Amounts due to subsidiaries	12	–	–	62,374,253	47,635,469
Contract liabilities	13	37,056,709	54,433,865	–	–
Total current liabilities		595,645,317	258,970,930	90,838,588	75,645,844
TOTAL LIABILITIES		744,195,030	331,763,911	169,747,906	133,630,884
TOTAL EQUITY AND LIABILITIES		1,189,919,192	734,317,944	526,727,753	502,142,634

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

			Group		Company
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Revenue	22	968,101,373	546,771,013	–	–
Cost of sales	23	(833,136,870)	(489,467,721)	–	–
Gross profit		134,964,503	57,303,292	–	–
Other income		1,335,031	2,053,891	–	7,631
Administrative expenses		(29,625,668)	(24,334,095)	(6,319,046)	(4,737,319)
Amortisation of intangible assets		(22,710,586)	(19,647,588)	–	–
Impairment losses on investment in subsidiaries		–	–	(221,486)	(179,537)
Impairment losses on financial assets		(24,000)	–	–	(84,819)
Other expenses		(422,730)	(1,869,429)	–	(8,792)
Operating profit/(loss)		83,516,550	13,506,071	(6,540,532)	(5,002,836)
Finance income	24	900,342	585,195	85,875	16,963
Finance costs	25	(16,241,509)	(7,903,733)	(6,200,021)	(6,172,359)
Profit/(Loss) before tax	26	68,175,383	6,187,533	(12,654,678)	(11,158,232)
Tax expense	28	(26,132,029)	(4,099,822)	–	–
Profit/(Loss) for the financial year		42,043,354	2,087,711	(12,654,678)	(11,158,232)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		42,097,797	2,087,711	(12,654,678)	(11,158,232)
Non-controlling interests		(54,443)	–	–	–
		42,043,354	2,087,711	(12,654,678)	(11,158,232)
Earnings per share attributable to ordinary equity holders of the Company (sen)					
- Basic earnings per share (sen)	29	9.73	0.48		
- Diluted earnings per share (sen)	29	9.73	0.48		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	Note	←----- Attributable to owners of the Company ----->				Non-controlling interests RM	Total equity RM
		Share capital RM	Share option reserve RM	Retained earnings RM	Sub-total RM		
Group							
At 1 July 2024		381,712,508	–	6,079,514	387,792,022	–	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	–	2,087,711
Transaction with owners							
Issuance of ordinary shares, representing total transaction with owners	16	12,674,300	–	–	12,674,300	–	12,674,300
At 30 June 2025		394,386,808	–	8,167,225	402,554,033	–	402,554,033
Total comprehensive income for the financial year							
Profit for the financial year, representing total comprehensive income		–	–	42,097,797	42,097,797	(54,443)	42,043,354
Transactions with owners							
Share options issued	17	–	1,111,223	–	1,111,223	–	1,111,223
Issuance of ordinary shares pursuant to Share Issuance Scheme	16	17,150	(5,598)	–	11,552	–	11,552
Subscription of shares by non-controlling interest arising in a subsidiary		–	–	–	–	4,000	4,000
Total transactions with owners		17,150	1,105,625	–	1,122,775	4,000	1,126,775
At 30 June 2026		394,403,958	1,105,625	50,265,022	445,774,605	(50,443)	445,724,162

STATEMENTS OF CHANGES IN EQUITY

(Cont'd)

	Note	Share capital RM	Share option reserve RM	Accumulated losses RM	Total equity RM
Company					
At 1 July 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)
Transactions with owners					
Issuance of ordinary shares, representing total transaction with owners	16	12,674,300	–	–	12,674,300
At 30 June 2025		394,386,808	–	(25,875,058)	368,511,750
Total comprehensive loss for the financial year					
Loss for the financial year, representing total comprehensive loss		–	–	(12,654,678)	(12,654,678)
Transactions with owners					
Share options issued	17	–	1,111,223	–	1,111,223
Issuance of ordinary shares pursuant to Share Issurance Scheme	16	17,150	(5,598)	–	11,552
Total transactions with owners		17,150	1,105,625	–	1,122,775
At 30 June 2026		394,403,958	1,105,625	(38,529,736)	356,979,847

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	Group 2026 RM	2025 RM	Company 2026 RM	2025 RM
Cash flows from operating activities				
Profit/(Loss) before tax	68,175,383	6,187,533	(12,654,678)	(11,158,232)
Adjustments for:				
Amortisation of intangible assets	22,710,586	19,647,588	–	–
Bad debts written off	–	31,800	–	–
Deposits written off	88,007	–	–	–
Depreciation of property, plant and equipment	3,024,641	2,064,883	451,836	198,535
Fair value gain on investment properties	(260,000)	(30,000)	–	–
Impairment losses on:				
- amounts due from subsidiaries	–	–	221,486	84,819
- investment in subsidiaries	–	–	–	179,537
- trade receivables	24,000	–	–	–
Interest expense	16,241,509	7,903,733	6,200,021	6,172,359
Interest income	(900,342)	(585,195)	(85,875)	(16,963)
Loss/(Gain) on lease derecognition	82,582	(526,788)	–	(7,630)
Property, plant and equipment written off	252,141	1,858,029	–	8,792
Share-based payment	1,111,223	–	369,120	–
Operating profit/(loss) before changes in working capital	110,549,730	36,551,583	(5,498,090)	(4,538,783)
Changes in working capital:				
Inventories	(116,744,068)	(3,149,426)	–	–
Receivables	(86,464,702)	(48,950,438)	(60,199)	778,393
Contract assets	(254,916,351)	(27,998,462)	–	–
Contract costs	(332,759)	(148,248)	–	–
Payables	293,101,745	43,579,553	441,887	16,339
Contract liabilities	(17,377,156)	11,223,255	–	–
Net cash (used in)/generated from operations	(72,183,561)	11,107,817	(5,116,402)	(3,744,051)
Interest paid	(16,241,509)	(7,903,733)	(6,200,021)	(6,172,359)
Interest received	34,398	–	–	–
Tax paid, net	(16,680,489)	(8,673,630)	–	–
Net cash used in operating activities	(105,071,161)	(5,469,546)	(11,316,423)	(9,916,410)

STATEMENTS OF CASH FLOWS

(Cont'd)

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Cash flows from investing activities					
Incorporation of new subsidiaries	9	–	–	(1,006,000)	(6)
Purchase of property, plant and equipment	5(a)	(1,351,627)	(4,619,165)	(37,863)	(1,295,180)
Change in pledged deposits		(15,989,125)	(4,118,559)	–	–
Advances to subsidiaries		–	–	(21,532,225)	(134,832)
Interest received		865,944	585,195	85,875	16,963
Net cash used in investing activities		(16,474,808)	(8,152,529)	(22,490,213)	(1,413,055)
Cash flows from financing activities	(a)				
Advances from subsidiaries		–	–	14,738,784	17,277,271
Proceeds from issuance of shares	16	11,552	12,674,300	11,551	12,674,300
Drawdown of revolving credits purchase		105,081,047	25,200,161	–	–
Repayments of hire purchase		(1,007,419)	(647,605)	–	–
Payments of lease liabilities		(474,332)	(476,043)	(174,736)	(153,250)
Drawdown of term loans		2,981,514	5,549,220	–	–
Repayments of term loans		(29,586,426)	(22,767,550)	(27,826,685)	(16,349,877)
Proceeds from issuance of medium term notes		48,937,772	–	48,937,772	–
Net cash from financing activities		125,943,708	19,532,483	35,686,686	13,448,444
Net increase in cash and cash equivalents		4,397,739	5,910,408	1,880,050	2,118,979
Cash and cash equivalents at the beginning of the financial year		4,794,252	(1,116,156)	2,718,904	599,925
Cash and cash equivalents at the end of the financial year	15	9,191,991	4,794,252	4,598,954	2,718,904

STATEMENTS OF CASH FLOWS (Cont'd)

(a) Reconciliation of liabilities arising from financing activities:

	At 1.7.2025 RM	Cash flows RM	←----- Non-cash -----→ Acquisition RM	Others RM	At 30.6.2026 RM
Group					
Hire purchase payables	3,723,987	(1,007,419)	886,000	–	3,602,568
Lease liabilities	2,134,385	(474,332)	745,953	(355,025)	2,050,981
Revolving credits	25,200,161	105,081,047	–	–	130,281,208
Term loans	86,998,105	(26,604,912)	–	–	60,393,193
Medium term notes	–	48,937,772	–	–	48,937,772
	118,056,638	125,932,156	1,631,953	(355,025)	245,265,722

	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 credits	–	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 1.7.2025 RM	Cash flows RM	←----- Non-cash -----→ Acquisition RM	Others RM	At 30.6.2026 RM
Company					
Amounts due to subsidiaries	47,635,469	14,738,784	–	–	62,374,253
Lease liabilities	821,072	(174,736)	–	–	646,336
Term loans	85,022,704	(27,826,685)	–	–	57,196,019
Medium term notes	–	48,937,772	–	–	48,937,772
	133,479,245	35,675,135	–	–	169,154,380

	At 1.7.2024 RM	Cash flows RM	←----- Non-cash -----→ Acquisition RM	Others RM	At 30.6.2025 RM
Company					
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
Term loans	101,372,581	(16,349,877)	–	–	85,022,704
	131,840,540	774,144	953,971	(89,410)	133,479,245

STATEMENTS OF CASH FLOWS

(Cont'd)

(b) Total cash outflows for leases:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Included in net cash used in operating activities:				
Payments relating to short-term leases	20,915,030	6,103,459	–	–
Payments relating to leases of low value assets	55,642	81,733	–	–
Interest paid in relation to lease liabilities	120,667	229,345	48,464	47,449
Included in net cash from financing activities:				
Payments of lease liabilities	474,332	476,043	174,736	153,250
Total cash outflows for leases	21,565,671	6,890,580	223,200	200,699

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 22 October 2026.

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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments to MFRS

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

MFRS 121 The Effects of Changes in Foreign Exchange Rate

The adoption of the above amendments to MFRS 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 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
<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 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2027
MFRS 128	Investments in Associates and Joint Ventures	1 January 2027#/ Deferred

Amendments to MFRS 128 shall apply when an entity first applies MFRS 18 *Presentation and Disclosure* in Financial Statements.

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 Group and 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.

- 2.3.2 The initial application of the applicable new MFRSs and amendments to MFRSs is not expected to have material financial impact to the current and prior years financial statements of the Group and of the Company. The Group and the Company is assessing the impact of MFRS 18, which among others, may result in changes to how information is grouped in the financial statements, the presentation structure of the statement of profit or loss, on certain items in the statement of cash flows and the additional disclosures required for MPMs, if any.

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 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.

(b) Non-controlling interest

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

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	5

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 18.

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 – 5

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 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 45 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 year. 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 judgements 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 22 and 23.

(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 32(b)(i).

(d) Acquisition of development rights

During the financial year, the Group entered into a joint development agreement with a third party in relation to a parcel of land. Upon fulfilment of the contractual conditions, the Group recognised development rights over the land as inventories together with the related obligations arising from the agreement.

Significant judgement is required in assessing the substance of the arrangement and determining the appropriate accounting treatment, including the recognition of the development rights as inventories and the corresponding obligations arising from the agreement.

The development rights and corresponding obligations arising from the agreement are disclosed in Notes 7(b) and 21(a).

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

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

(e) Impairment of investment in subsidiaries (Cont'd)

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.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2026	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 2025	203,509	7,397,590	3,169,876	3,630,727	2,439,063	16,840,765
Additions	374,929	1,293,517	569,181	–	745,953	2,983,580
Derecognition *	–	–	–	–	(486,838)	(486,838)
Written off	–	–	–	(309,278)	–	(309,278)
At 30 June 2026	578,438	8,691,107	3,739,057	3,321,449	2,698,178	19,028,229
Accumulated depreciation						
At 1 July 2025	35,909	2,335,432	1,738,078	210,927	297,198	4,617,544
Depreciation charge for the financial year	48,622	1,376,349	474,635	664,291	460,744	3,024,641
Derecognition *	–	–	–	–	(49,231)	(49,231)
Written off	–	–	–	(57,137)	–	(57,137)
At 30 June 2026	84,531	3,711,781	2,212,713	818,081	708,711	7,535,817
Net carrying amount						
At 30 June 2026	493,907	4,979,326	1,526,344	2,503,368	1,989,467	11,492,412

* 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 (Cont'd) 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.

Company 2026	Furniture, fittings and office equipment RM	Renovation RM	Right-of- use assets RM	Total RM
Cost				
At 1 July 2025	56,659	1,278,284	953,971	2,288,914
Additions	37,863	–	–	37,863
At 30 June 2026	94,522	1,278,284	953,971	2,326,777
Accumulated depreciation				
At 1 July 2025	39,442	30,852	143,096	213,390
Depreciation charge for the financial year	5,384	255,658	190,794	451,836
At 30 June 2026	44,826	286,510	333,890	665,226
Net carrying amount				
At 30 June 2026	49,696	991,774	620,081	1,661,551

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 (Cont'd)				
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

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

- (a) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM2,983,580 (2025: RM9,931,637) and RM37,863 (2025: RM2,249,152) respectively, which are satisfied by the following:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Financed by way of of hire purchase arrangement	886,000	2,856,001	–	–
Financed by way of lease arrangement	745,953	2,375,581	–	953,972
Cash payments	1,351,627	4,619,165	37,863	1,295,180
Payables	–	80,890	–	–
	2,983,580	9,931,637	37,863	2,249,152

- (b) Leased assets are pledged as security for the related lease liabilities as disclosed in Note 18(b).

Motor vehicles of the Group with carrying amount at RM4,125,532 (2025: RM2,085,088) have been pledged as security for hire purchase arrangements as disclosed in Note 18(c).

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

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

- (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 July 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
Additions	745,953	–
Depreciation	(460,744)	(190,794)
Derecognition	(437,607)	–
At 30 June 2026	1,989,467	620,081

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 terms between 2 to 5 years (2025: 2 to 5 years).

6. INVESTMENT PROPERTIES

	Freehold land and buildings RM	Leasehold land and buildings RM	Total RM
Group 2026			
At 1 July 2025	1,450,000	10,130,000	11,580,000
Gain arising from fair value adjustment	20,000	240,000	260,000
At 30 June 2026	1,470,000	10,370,000	11,840,000
2025			
At 1 April 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

- (a) Included in freehold and leasehold land and building are properties with carrying amount of RM1,470,000 and RM5,870,000 (2025: RM1,450,000 and RM5,830,000) respectively pledged as security to secure bank overdrafts of the Group as disclosed in Note 18(d).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. INVESTMENT PROPERTIES (CONT'D)

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

	2026 RM	Group 2025 RM
Rental income	238,200	255,300
Direct operating expenses		
- income generating investment properties	(24,065)	(27,825)
- non-income generating investment properties	(7,851)	(5,280)

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 2026 or financial year ended 30 June 2025.

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.

7. INVENTORIES

	2026 RM	Group 2025 RM
Non-current:		
At cost		
Property held for development		
- Freehold land	18,353,711	8,065,419
- Development costs	7,988,254	7,008,883
	26,341,965	15,074,302
Current:		
At cost		
Property under development		
- Freehold land	5,636,546	5,501,651
- Leasehold land	90,911,478	-
- Development costs	17,314,172	2,884,140
Total inventories (current)	113,862,196	8,385,791
Total inventories (non-current and current)	140,204,161	23,460,093

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. INVENTORIES (CONT'D)

- (a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM15,568,747 (2025: RM18,763,313).
- (b) Included in the inventories of the Group is an amount of RM90,911,478 (2025: Nil) recognised in relation to Joint Venture Agreement as disclosed in Note 34(a).

8. INTANGIBLE ASSETS

	Goodwill RM	Customer contracts RM	Total RM
Group Cost			
At 30 June 2025/At 30 June 2026	369,331,900	74,841,953	444,173,853
Accumulated amortisation			
At 1 July 2025	–	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
Amortisation charge for the financial year	–	22,710,586	22,710,586
At 30 June 2026	–	52,931,367	52,931,367
Net carrying amount			
At 30 June 2025	369,331,900	44,621,172	413,953,072
At 30 June 2026	369,331,900	21,910,586	391,242,486

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill (Cont'd)

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 13% (2025: 12% to 14%).

(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 16% (2025: 15%).

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.

(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 RM22,710,586 (2025: RM19,647,588) relating to the customer contracts has been recognised during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. INVESTMENT IN SUBSIDIARIES

		Company	
	Note	2026 RM	2025 RM
Unquoted shares, at cost			
At beginning of the financial year		510,730,288	511,540,120
Voluntary winding up	(a)	–	(809,838)
Incorporation of subsidiaries	(b)	1,006,000	6
		511,736,288	510,730,288
Equity contribution in respect of Share Issuance Scheme		742,104	–
At end of the financial year		512,478,392	510,730,288
Less: Accumulated impairment losses			
At beginning of the financial year		(14,708,609)	(15,338,910)
Impairment loss during the financial year	26	–	(179,537)
Voluntary winding up	(b)	–	809,838
At end of the financial year		(14,708,609)	(14,708,609)
		497,769,783	496,021,679

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
		2026 %	2025 %	
Pembinaan Teguh Maju Sdn. Bhd.	Malaysia	100	100	Business of general contractors, construction of buildings, residential, roads and other construction activities.
Pembinaan Mewah Kota Sdn. Bhd. (formerly known as Mewah Kota Sdn. Bhd.)	Malaysia	100	100	Contractor for various kinds of civil and structural, mechanical and electrical works and maintenance works.
Varia Land Sdn. Bhd.	Malaysia	100	100	Property development and the business of general civil and structural, mechanical and electrical works and project management.
Merge Properties Sdn. Bhd.	Malaysia	100	100	Property investment.
MEB Realty Sdn. Bhd.	Malaysia	100	100	Property investment.
Varia Energy Sdn. Bhd.	Malaysia	100	100	Inactive.

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
		2026 %	2025 %	
Ababil Perkasa Sdn. Bhd.	Malaysia	100	100	Inactive.
Semarak Niaga Lanskap Sdn. Bhd.	Malaysia	100	100	Inactive.
WCEX Holdings Sdn. Bhd.	Malaysia	100	100	Dormant.
WCEX Expressway Sdn. Bhd.	Malaysia	100	100	Dormant.
Lebuhraya Varia Holdings Sdn. Bhd. (formerly known as WCEX Maju Sdn. Bhd.)	Malaysia	100	100	Dormant.
Varia Marine & Offshore Sdn. Bhd. @ +	Malaysia	60	–	Dormant.
Varia Properties Sdn. Bhd. @	Malaysia	100	–	Property development.
Subsidiaries of Varia Properties Sdn. Bhd.				
Varia Crest Sdn. Bhd. @	Malaysia	100	–	Property development.
Varia Era Sdn. Bhd. @ +	Malaysia	100	–	Property development.
Varia Southrise Sdn. Bhd. @ +	Malaysia	100	–	Property development.

@ Note (b)

+ Consolidated using unaudited management financial statements. Auditors' report is not available.

(a) Voluntary winding up

2025

On 10 May 2024, an application was made to the Companies Commission of Malaysia to strike off Merge readymix Sdn. Bhd. ("MRSB") (a fully owned subsidiary) pursuant to Section 550 of the Companies Act 2016 and MRSB was dissolved on 12 August 2024.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Incorporation of subsidiaries

2026

- (i) On 24 October 2025, the Company incorporated a wholly-owned subsidiary, namely Varia Properties Sdn. Bhd. ("VPSB") with an issued and paid-up share capital of RM100, comprising 100 ordinary shares. The principal activity of VPSB is property development.

On 7 April 2026, the Company subscribed for additional issued and share capital, comprising of 999,900 new ordinary shares in VPSB for a total cash consideration of RM999,900. VPSB remains as a wholly-owned subsidiary of the Company.

- (ii) On 29 October 2025, VPSB incorporated a wholly-owned subsidiary, namely Varia Crest Sdn. Bhd. ("VCSB") with an issued and paid-up share capital of RM100 comprising 100 ordinary shares. The principal activity of VCSB is property development.

On 10 March 2026, VPSB subscribed for additional issued and share capital comprising of 999,900 new ordinary shares in VCSB for a total cash consideration of RM999,900. VCSB remains as a wholly-owned subsidiary of VPSB.

- (iii) On 9 February 2026, the Company incorporated Varia Marine & Offshore Sdn. Bhd. ("VMOSB") and subscribed for 6,000 ordinary shares, representing 60% of the total issued and paid-up share capital of 10,000 ordinary shares, for a total cash consideration of RM6,000. The intended principal activity of VMOSB is provision of floating storage unit services.

- (iv) On 11 March 2026, VPSB incorporated a wholly-owned subsidiary, namely Varia Era Sdn. Bhd. ("VESB") with an issued and paid-up share capital of RM1,000,000 comprising 1,000,000 ordinary shares. The principal activity of VESB is property development.

- (v) On 11 March 2026, VPSB incorporated a wholly-owned subsidiary, namely Varia Southrise Sdn. Bhd. ("VSSB") with an issued and paid-up share capital of RM1,000,000 comprising 1,000,000 ordinary shares. The principal activity of VSSB is property development.

2025

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

- (ii) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Expressway Sdn. Bhd. ("WESB") with an issued and paid-up share capital of RM2 comprising 2 ordinary shares. The principal activity of WESB is engaged in the design, construction, management, operation and development of expressway and managing its toll operations.

- (iii) On 22 July 2024, the Company incorporated a wholly-owned subsidiary, namely WCEX Maju Sdn. Bhd. now known as Lebuhraya Varia Holdings Sdn. Bhd. ("LVHSB") with an issued and paid-up share capital of RM2 comprising 2 ordinary shares. The principal activity of LVHSB is provision of highway maintenance services.

(c) Non-controlling interests in subsidiaries

The Company does not have material non-controlling interest in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

10. TRADE RECEIVABLES

	Note	2026 RM	Group 2025 RM
Trade receivables			
External parties	(a)	119,410,940	103,867,421
Retention sums	(b)	84,650,698	40,893,712
		204,061,638	144,761,133
Less: Impairment loss on trade receivable	(a)	(24,000)	–
		204,037,638	144,761,133

- (a) Trade receivables are non-interest bearing and normal credit terms offered by the Group range from 30 to 45 days (2025: 30 to 45 days). Other credit terms are assessed and approved on a case by case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follow:

	2026 RM	Group 2025 RM
At beginning of the financial year	–	–
Charge for the financial year	–	–
At end of the financial year	24,000	–
	24,000	–

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

	2026 RM	Group 2025 RM
Within one year	12,900,758	16,700,080
Later than one year	71,749,940	24,193,632
	84,650,698	40,893,712

- (c) The information about the credit exposure are disclosed in Note 32(b)(i).

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Non-current:					
Prepayments	(a)	7,841,144	10,129,303	–	–
Current:					
Advance payment to suppliers		33,955,717	16,877,231	–	–
Other receivables		4,789,890	806,516	–	–
Deposits	(b)	20,748,695	12,505,666	359,700	59,100
Prepayments	(a)	3,839,067	3,779,607	375,731	616,132
		63,333,369	33,969,020	735,431	675,232
Total other receivables (non-current and current)		71,174,513	44,098,323	735,431	675,232

(a) Included in prepayments of the Group are insurance premiums amounting to RM10,007,783 (2025: RM13,055,774) paid for coverage related to construction projects.

(b) Included in deposits of the Group are deposits paid amounting to RM3,000,000 (2025: Nil) paid in relation to projects as disclosed in Notes 34(b) and 34(c).

12. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2026 RM	2025 RM
Amounts due from subsidiaries	30,547,990	9,015,765
Less: Accumulated impairment losses	(8,585,956)	(8,364,470)
	21,962,034	651,295
Amounts due to subsidiaries	(62,374,253)	(47,635,469)

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

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

	Company	
	2026 RM	2025 RM
At beginning of the financial year	8,364,470	8,279,651
Charge for the financial year (Note 26)	221,486	84,819
At end of the financial year	8,585,956	8,364,470

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

13. CONTRACT ASSETS/(LIABILITIES)

	2026 RM	Group 2025 RM
Contract assets relating to construction service contracts	308,772,410	51,275,754
Contract asset relating to property development contracts	3,535,804	6,116,109
	312,308,214	57,391,863
Contract liabilities relating to construction service contracts	(12,365,753)	(54,433,865)
Contract liabilities relating to property development contracts	(24,690,956)	–
	(37,056,709)	(54,433,865)

(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 45 days (2025: 30 to 45 days).

(b) Contract liabilities

The contract liabilities represent progress billings and deposits received for properties sold and 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 (2025: 1 year to 5 years).

(c) Significant changes in contract balances

	2026		2025	
Group	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM
Revenue recognised that was included in contract liabilities at the beginning of the financial year	–	53,161,346	–	42,976,131
Increase due to consideration received from customers, but revenue not recognised	–	(35,784,190)	–	(54,199,386)
Increase as a result of changes in the measure of progress	312,236,826	–	56,205,721	–
Transfer from contract assets recognised at the beginning of the year to receivables	(57,320,475)	–	(28,207,259)	–

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

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

(c) Revenue recognised in relation to contract balances

	2026 RM	Group 2025 RM
Revenue recognised that was included in contract liabilities at the beginning of the financial year	53,161,346	42,976,131

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

14. CONTRACT COSTS

	2026 RM	Group 2025 RM
Current:		
Costs to obtain contracts	627,376	294,617

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 RM2,148,798 (2025: RM803,983).

15. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash and bank balances	23,988,960	18,725,103	4,598,954	2,718,904
Short-term deposits	22,928,957	6,939,832	–	–
Deposits, cash and bank balances as reported in the statements of financial position	46,917,917	25,664,935	4,598,954	2,718,904
Less: Pledged deposits	(22,928,957)	(6,939,832)	–	–
Less: Bank overdrafts (Note 18)	(14,796,969)	(13,930,851)	–	–
Cash and cash equivalents as reported in the statements of cash flows	9,191,991	4,794,252	4,598,954	2,718,904

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

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

- (a) Included in deposits placed with licensed banks of the Group is an amount of RM22,928,957 (2025: RM6,939,832) pledged to banks as security for banking facilities granted as disclosed in Note 18.
- (b) Included in cash and bank balances of the Group is an amount of RM238,203 (2025: RM796,710) 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 1.75% to 4.00% (2025: 1.84% to 2.80%) per annum with maturity period ranging from 1 month to 12 months (2025: 1 month to 12 months).

16. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2026	2025	2026	2025
	Unit	Unit	RM	RM
Issued and fully paid up (no par value):				
At beginning of the financial year	432,500,000	417,000,000	394,386,808	381,712,508
Issued during the financial year	–	15,500,000	–	12,674,300
Issuance of shares pursuant to:				
- Share Issuance Scheme	15,000	–	17,150	–
At end of the financial year	432,515,000	432,500,000	394,403,958	394,386,808

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 15,000 new ordinary shares pursuant to the exercise of the Company's Share Issuance Scheme ("SIS") as disclosed in Note 17 which amounting to RM17,150.

In the previous financial year, the Company issued 8,000,000 new ordinary shares at a price of RM0.7621 and RM7,500,000 new ordinary shares at a price of RM0.877 per 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.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

17. SHARE OPTION RESERVE

The share option reserve comprises the cumulative value of services received for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Vesting period of the share option offered:

- (i) First 20%: 1 May 2026 to 30 April 2027
- (ii) Subsequent 30%: 1 May 2027 to 30 April 2028
- (iii) Remaining 50%: 1 May 2028 to 30 April 2029

On 1 April 2026, the Group granted share options with a total number of 13,395,000 to eligible directors and employees of the Group to acquire shares in the Company under the Share Issuance Scheme ("SIS") approved by the shareholders of the Company. The share options granted may be exercised any time from the date of vesting to the date of expiry and settlement is by issuance of fully paid ordinary shares.

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movement in, share options:

	Group and Company Number 2026	WAEP 2026
At 1 July 2025	–	–
Granted on 1 April 2026	13,395,000	RM0.77
Exercised during the financial year	(15,000)	RM0.77
Forfeited during the financial year	(3,920,000)	RM0.77
At 30 June 2026	9,460,000	RM0.77
Exercisable at 30 June 2026	1,880,000	RM0.77

The options outstanding at 30 June 2026 have exercise price at RM0.77 (2025: Nil) and the weighted average remaining contractual life for the share options outstanding as at 30 June 2026 was 5 years (2025: Nil).

The fair values of the share options granted were determined using a binomial option pricing model, and the inputs were:

	2026
Fair value of share options and assumptions	
Weighted average fair value share option at grant date (RM)	0.37
Share price (RM)	0.89
Option life (years)	5.09
Risk-free rate (%)	3.41
Expected volatility (%)	34.21

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18. LOANS AND BORROWINGS

			Group		Company
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Non-current:					
Secured					
Term loans	(a)	30,360,819	57,338,704	29,512,019	57,338,704
Lease liabilities	(b)	1,530,558	1,618,748	459,527	646,336
Hire purchase payables	(c)	2,567,232	2,770,919	–	–
Medium term notes	(f)	48,937,772	–	48,937,772	–
		83,396,381	61,728,371	78,909,318	57,985,040
Current:					
Secured					
Term loans	(a)	30,032,374	29,659,401	27,684,000	27,684,000
Lease liabilities	(b)	520,423	515,637	186,809	174,736
Hire purchase payables	(c)	1,035,336	953,068	–	–
Bank overdrafts	(d)	14,796,969	13,930,851	–	–
Revolving credits	(e)	130,281,208	25,200,161	–	–
		176,666,310	70,259,118	27,870,809	27,858,736
Total loans and borrowings					
Term loans	(a)	60,393,193	86,998,105	57,196,019	85,022,704
Lease liabilities	(b)	2,050,981	2,134,385	646,336	821,072
Hire purchase payables	(c)	3,602,568	3,723,987	–	–
Bank overdrafts	(d)	14,796,969	13,930,851	–	–
Revolving credits	(e)	130,281,208	25,200,161	–	–
Medium term notes	(f)	48,937,772	–	48,937,772	–
		260,062,691	131,987,489	106,780,127	85,843,776

(a) Term loans

		Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Current					
Not later than one year		30,032,374	29,659,401	27,684,000	27,684,000
Non-current					
Later than one year and not later than five years		29,915,219	57,338,704	29,512,019	57,338,704
Later than five years		445,600	–	–	–
		30,360,819	57,338,704	29,512,019	57,338,704
Total term loans		60,393,193	86,998,105	57,196,019	85,022,704

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18. LOANS AND BORROWINGS (CONT'D)

(a) Term loans (Cont'd)

Term loan I of the Group and of the Company of RM57,196,019 (2025: RM85,022,704) bear interest at a rate of 6.70% (2025: 6.70%) per annum and are secured by and supported as follows:

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

- (i) cash deposits with banks as disclosed in Note 15;
- (ii) legal charge over shares of a subsidiary;
- (iii) joint and several guarantee by certain directors of the Company; and
- (iv) legal charge over pledge shares of the Company.

Term loan II of the Group of RM2,247,574 (2025: RM1,975,401) bears interest at a rate of 5.70% (2025: 5.70%) per annum and is secured by and supported as follows:

- (i) legal charge over project of the subsidiary; and
- (ii) corporate guarantee by the Company.

Term loan III of the Group of RM949,600 (2025: Nil) bears interest at a rate of 6.45% (2025: Nil) per annum and is repayable by monthly installments over ten years commencing from the day of first drawdown and is secured by and supported as follows:

- (i) cash deposits with banks as disclosed in Note 15; and
- (ii) 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	
	2026 RM	2025 RM	2026 RM	2025 RM
Minimum lease payments:				
Not later than one year	624,400	585,600	223,200	223,200
Later than one year and not later than 5 years	1,655,700	1,840,100	492,900	716,100
	2,280,100	2,425,700	716,100	939,300
Less: Future finance charges	(229,119)	(291,315)	(69,764)	(118,228)
Present value of minimum lease payments	2,050,981	2,134,385	646,336	821,072
Present value of minimum lease payments:				
Not later than one year	520,423	515,637	186,809	174,736
Later than one year and not later than 5 years	1,530,558	1,618,748	459,527	646,336
	2,050,981	2,134,385	646,336	821,072

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

18. LOANS AND BORROWINGS (CONT'D)

(c) Hire purchase payables

Hire purchase payables of the Group bears effective interest at rates ranging from 3.95% to 5.68% (2025: 4.28% to 5.62%) 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:

	2026 RM	Group 2025 RM
Minimum lease payments:		
Not later than one year	1,161,174	1,100,074
Later than one year and not later than 5 years	2,782,852	2,972,310
Later than 5 years	–	50,135
	3,944,026	4,122,519
Less: Future finance charges	(341,458)	(398,532)
Present value of minimum lease payments	3,602,568	3,723,987
Present value of minimum lease payments		
Not later than one year	1,035,336	953,068
Later than one year and not later than 5 years	2,567,232	2,721,350
Later than 5 years	–	49,569
	3,602,568	3,723,987

(d) Bank overdrafts

The bank overdrafts of the Group bear interest at a rates ranging from 6.45% to 8.20% (2025: at a rate of 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 credits

The revolving credits of the Group bears interest at rates ranging from 3.67% to 8.06% (2025: 5.18% to 8.06%) per annum and are secured and supported as follows:

- (i) cash deposits with banks as disclosed in Note 15; and
- (ii) corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

18. LOANS AND BORROWINGS (CONT'D)

(f) Medium term notes

The medium term notes comprises notes of up to RM50 million with tenure between 6 years with interest rates ranging from 5.63% to 5.73% (2025: Nil).

During the financial year, the nominal value of notes issued was RM48,937,772 (2025: Nil).

The proceeds raised from the issuance of medium-term notes are allowed to be utilised by the Group to finance general working capital, refinancing of existing Shariah-compliant financing, conventional borrowings, future Shariah-compliant financing and general corporate purposes.

19. DEFERRED TAX LIABILITIES

	2026 RM	Group 2025 RM
At beginning of the financial year	11,064,610	15,777,031
Recognised in profit or loss (Note 28)	(5,221,374)	(4,712,421)
At end of the financial year	5,843,236	11,064,610

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

	2026 RM	Group 2025 RM
Deferred tax liabilities		
Fair value of investment properties	273,447	247,447
Differences between the carrying amount of property, plant and equipment and their tax base	311,248	108,081
Intangible assets	5,258,541	10,709,082
	5,843,236	11,064,610

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

	2026 RM	Group 2025 RM
Deferred tax assets		
Unabsorbed capital allowances	229,860	–
Unutilised tax losses	34,816,216	32,630,543
Other taxable temporary differences	41,074	–
	35,087,150	32,630,543
Potential deferred tax assets at 24% (2025: 24%)	8,420,916	7,831,330

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

19. DEFERRED TAX LIABILITIES (CONT'D)

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.

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

	2026 RM	Group 2025 RM
2028	22,800,015	22,608,693
2029	291,746	291,746
2030	886,783	886,783
2033	5,022,143	5,541,361
2034	3,301,960	3,301,960
2036	2,513,569	–
	34,816,216	32,630,543

20. TRADE PAYABLES

	2026 RM	Group 2025 RM
Trade payables		
External parties	133,250,163	66,912,753
Retention sums	73,629,170	39,940,232
Accrual payables	137,004,713	26,624,960
	343,884,046	133,477,945

(a) Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 90 days (2025: 30 to 90 days).

(b) Retention sums payable are expected to be settled as follows:

	2026 RM	Group 2025 RM
Within one year	10,463,065	11,938,448
Later than one year	63,166,105	28,001,784
	73,629,170	39,940,232

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

21. OTHER PAYABLES, ACCRUALS AND DEPOSITS

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Non-current:					
Other payables	(a)	59,310,096	–	–	–
Current:					
Other payables		22,752,284	181,412	83,438	18,839
Amount due to a director	(b)	–	6,000	–	–
Accruals		1,180,283	331,407	510,088	132,800
Deposits		94,400	146,900	–	–
Amount due to a related party	(c)	20,300	–	–	–
		24,047,267	665,719	593,526	151,639
Total other payables (non-current and current)		83,357,363	665,719	593,526	151,639

- (a) Included in other payables of the Group is an amount owing to a third party of RM59,310,096 payable for land development rights pursuant to the Joint Venture Agreement entered into with the landowner as disclosed in Note 34(a). This amount is repayable over a term of 30 months and is measured at amortised cost using an imputed interest rate of 6.35% per annum. The amount is expected to be settled by the following:

	2026 RM
Transfer of a non-financial asset	7,300,000
Cash payments	52,010,096
	59,310,096

- (b) In the previous financial year, the amount due to a director was non-trade, unsecured, non-interest bearing, repayable upon demand and are expected to be settled in cash.
- (c) Amount due to a related party of the Group is non-trade in nature, unsecured, non-interest bearing, repayable upon demand and are expected to be settled in cash. Related party is an entity in which certain directors have substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

22. REVENUE

	2026 RM	Group 2025 RM
Over time:		
Construction contracts	951,148,643	523,940,617
Property development	16,801,680	22,259,128
Maintenance services	46,650	458,068
Rental income	104,400	113,200
Total revenue	968,101,373	546,771,013

Transaction price allocated to the remaining performance obligations

As of 30 June 2026, the aggregate amount of the transaction price allocated to the remaining performance obligation for construction and property development contracts are RM2,308,269,385 (2025: RM2,593,128,755) and RM29,678,108 (2025: RM10,723,836) respectively, the Group will recognise this revenue progressively, which is expected to occur over the next 1 month to 53 months (2025: 1 month to 50 months) and next 8 months (2025: 8 months) respectively.

23. COST OF SALES

	2026 RM	Group 2025 RM
Cost of construction services	815,356,230	469,429,120
Cost of sales of property development units	17,717,545	19,567,296
Cost of sales of maintenance services	46,650	458,068
Direct operating expenses of investment properties	16,445	13,237
Total cost of sales	833,136,870	489,467,721

24. FINANCE INCOME

	2026 RM	Group 2025 RM	Company 2026 RM	2025 RM
Interest income on deposits and bank	900,342	585,195	85,875	16,963

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

25. FINANCE COSTS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Accretion of interest	5,568,480	82,481	–	–
Interest expense on:				
- bank overdrafts	1,076,363	1,122,882	–	–
- hire purchase	155,606	109,428	–	–
- lease liabilities	120,667	229,345	48,464	47,449
- revolving credits	2,794,823	110,255	–	–
- term loans	4,534,519	6,249,342	4,160,506	6,124,910
- medium term notes	1,862,891	–	1,862,891	–
- others	128,160	–	128,160	–
	16,241,509	7,903,733	6,200,021	6,172,359

26. 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	2026 RM	2025 RM	2026 RM	2025 RM
Auditors' remuneration					
- Statutory audit:					
- Baker Tilly Monteiro Heng PLT		324,000	292,000	128,500	119,000
- Other services:					
- Baker Tilly Monteiro Heng PLT		32,200	31,200	31,200	31,200
- Member firms of Baker Tilly International		105,496	29,063	12,668	3,375
Bad debts written off		–	31,800	–	–
Deposits written off		88,007	–	–	–
Depreciation of property, plant and equipment	5	3,024,641	2,064,883	451,836	198,535
Employee benefits expense	27	28,858,989	19,154,674	3,007,324	2,077,287
Expense relating to short-term leases		20,915,030	6,103,459	–	–
Expense relating to leases of low value assets		55,642	81,733	–	–
Fair value gain on investment properties		(260,000)	(30,000)	–	–
Impairment losses on:					
- amounts due from subsidiaries		–	–	221,486	84,819
- investment in subsidiaries		–	–	–	179,537
- trade receivables		24,000	–	–	–
Loss/(Gain) on lease derecognition		82,582	(526,788)	–	(7,630)
Property, plant and equipment written off		252,141	1,858,029	–	8,792
Rental income from premises		(373,800)	(142,100)	–	–

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

27. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Wages and salaries	25,353,692	17,178,048	2,417,894	1,919,239
Defined contribution plan	2,394,074	1,976,626	220,311	158,048
Share-based payment	1,111,223	–	369,119	–
	28,858,989	19,154,674	3,007,324	2,077,287

Included in employee benefits expense are:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Directors of the Company				
Executive directors:				
- Other emoluments	2,407,405	2,220,813	1,127,212	995,672
Non-executive directors:				
- Fees	358,133	106,000	358,133	106,000
- Other emoluments	228,325	257,000	228,325	257,000
	586,458	363,000	586,458	363,000
Directors of the subsidiaries				
Executive directors:				
- Fees	199,097	367,645	–	–
- Other emoluments	63,729	328,091	–	–
	3,256,689	3,279,549	1,713,670	1,358,672

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

28. TAX EXPENSE

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Statements of comprehensive income				
Current income tax				
Based on results for the current financial year	29,381,844	8,715,911	–	–
Adjustment in respect of prior financial year	1,971,559	96,332	–	–
	31,353,403	8,812,243	–	–
Deferred tax (Note 19)				
Reversal of temporary differences	(5,326,666)	(4,712,421)	–	–
Adjustment in respect of prior financial year	105,292	–	–	–
	(5,221,374)	(4,712,421)	–	–
Tax expense	26,132,029	4,099,822	–	–

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2025: 24%) of the estimated assessable profit for the financial year.

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	
	2026 RM	2025 RM	2026 RM	2025 RM
Profit/(Loss) before tax	68,175,383	6,187,533	(12,654,678)	(11,158,232)
Tax at the applicable rate of 24% (2025: 24%)	16,362,092	1,485,008	(3,037,123)	(2,677,976)
Tax effect arising from:				
- non-deductible expenses	7,151,856	541,467	3,037,123	2,677,976
- non-taxable income	(11,956)	(570,107)	–	–
- deferred tax assets not recognised during the financial year	589,586	2,551,322	–	–
- deferred tax recognised at real property gain tax rate	(36,400)	(4,200)	–	–
Adjustment in respect of prior year:				
- current tax	1,971,559	96,332	–	–
- deferred tax	105,292	–	–	–
Tax expense	26,132,029	4,099,822	–	–

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

29. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year, calculated as follows:

	2026 RM	2025 RM
Profit attributable to ordinary equity holders of the Company	42,097,797	2,087,711
	Unit	Unit
Weighted average number of ordinary shares for basic earnings per share	432,500,041	430,969,863
	2026 Sen	2025 Sen
Basic earnings per share attributable to ordinary equity holders of the Company	9.73	0.48

(b) Diluted earnings per ordinary share

Diluted earnings per share are based on the profit for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary share that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	2026 RM	2025 RM
Profit attributable to ordinary equity holders of the Company	42,097,797	2,087,711
	Unit	Unit
Weighted average number of ordinary shares for basic earnings per share	432,500,041	430,969,863
Effect of dilution from share options	234,473	–
Weighted average number of ordinary shares for diluted earnings per share	432,734,514	430,969,863
	2026 Sen	2025 Sen
Basic earnings per share attributable to ordinary equity holders of the Company	9.73	0.48

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

30. CORPORATE GUARANTEE

	Company	
	2026 RM	2025 RM
Corporate guarantee granted to subsidiaries:		
- banking facilities	144,549,729	30,325,006
- property development and construction project	14,916,228	14,916,228
	159,465,957	45,241,234

31. 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 comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

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

	Group	
	2026 RM	2025 RM
Paid and payable to related parties		
Rental fees	513,600	978,285
Purchase of goods/services	22,000	–
Renovation	–	2,328,797

	Company	
	2026 RM	2025 RM
Paid and payable to a subsidiary		
Rental fees	–	24,000

Paid and payable to related parties		
Rental fees	223,200	176,700
Renovation	–	1,278,284

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 12 and 21.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

31. RELATED PARTIES (CONT'D)

(c) Compensation of key management personnel

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Directors of the Company				
Executive directors:				
- Other emoluments	2,407,405	2,220,813	1,127,212	995,672
Non-executive directors:				
- Fees	358,133	106,000	358,133	106,000
- Other emoluments	228,325	257,000	228,325	257,000
	586,458	363,000	586,458	363,000
Other key management personnel				
Short-term employee benefits	2,718,865	1,311,737	561,231	203,000
Post-employment employee benefits	253,071	98,082	69,187	25,141
Share-based payments	131,517	–	46,970	–
	3,103,453	1,409,819	677,388	228,141
	6,097,316	3,993,632	2,391,058	1,586,813

32. 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
2026		
Financial assets		
Group		
Trade receivables	204,037,638	204,037,638
Other receivables and deposits, excluding prepayments and advance payment to suppliers	25,538,585	25,538,585
Deposits, cash and bank balances	46,917,917	46,917,917
	276,494,140	276,494,140

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

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

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (Cont'd)

(i) Amortised cost (Cont'd)

	Carrying amount RM	Amortised cost RM
2026		
Financial assets		
Company		
Other receivables and deposits, excluding prepayments	359,700	359,700
Amounts due from subsidiaries	21,962,034	21,962,034
Deposits, cash and bank balances	4,598,954	4,598,954
	26,920,688	26,920,688
Financial liabilities		
Group		
Trade payables	343,884,046	343,884,046
Other payables, accruals and deposits, excluding non-financial liabilities	76,057,363	76,057,363
Loans and borrowings, excluding lease liabilities	258,011,710	258,011,710
	677,953,119	677,953,119
Company		
Other payables and accruals	593,526	593,526
Amounts due to subsidiaries	62,374,253	62,374,253
Loans and borrowings, excluding lease liabilities	106,133,791	106,133,791
	169,101,570	169,101,570
2025		
Financial assets		
Group		
Trade receivables	144,761,133	144,761,133
Other receivables and deposits, excluding prepayments and advance payment to suppliers	13,312,182	13,312,182
Deposits, cash and bank balances	25,664,935	25,664,935
	183,738,250	183,738,250

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

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

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (Cont'd)

(i) Amortised cost (Cont'd)

	Carrying amount RM	Amortised cost RM
2025		
Financial assets		
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
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

(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.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(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.

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 2026			
Contract assets	0%	312,308,214	–
Trade receivables			
Current	0%	122,245,622	–
1 to 30 days past due	0%	18,039,497	–
31 to 60 days past due	0%	10,414,839	–
61 to 90 days past due	0%	16,960,769	–
91 to 120 days past due	0%	154,997	–
More than 121 days past due	0%	36,245,914	24,000
	0%	204,037,638	24,000
	0%	516,345,852	24,000

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

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

	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	–

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 51% (2025: 39%) of the Group's trade receivables were due from 2 major customers (2025: 2 major customers).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

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 RM144,549,729 (2025: RM30,325,006) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 32(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.

(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 meet their liabilities when they fall due.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

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	
2026					
Group					
Bank overdrafts	14,796,969	14,796,969	–	–	14,796,969
Hire purchase payables	3,602,568	1,161,174	2,782,852	–	3,944,026
Lease liabilities	2,050,981	624,400	1,655,700	–	2,280,100
Term loans	60,393,193	33,076,246	31,012,302	383,764	64,472,312
Revolving credits	130,281,208	130,886,896	–	–	130,886,896
Medium term notes	48,937,772	2,845,000	41,414,926	20,577,710	64,837,636
Trade payables	343,884,046	280,717,941	63,166,105	–	343,884,046
Other payables, accruals and deposits	76,057,363	24,047,264	58,400,000	–	82,447,264
	680,004,100	488,155,890	198,431,885	20,961,474	707,549,249
Company					
Amounts due to subsidiaries	62,374,253	62,374,253	–	–	62,374,253
Lease liabilities	646,336	223,200	492,900	–	716,100
Term loans	57,196,019	30,669,603	30,314,479	–	60,984,082
Medium term notes	48,937,772	2,845,000	–	48,937,772	51,782,772
Other payables, accruals and deposits	593,526	593,526	–	–	593,526
Financial guarantees	–	144,549,729	–	–	144,549,729
	169,747,906	241,255,311	30,807,379	48,937,772	321,000,462

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

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: (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
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	38,776,230	61,141,145	–	99,917,375
Revolving credit	25,200,161	25,361,380	–	–	25,361,380
Trade payables	133,477,945	105,476,161	28,001,784	–	133,477,945
Other payables, accruals and deposits	665,719	665,719	–	–	665,719
	266,131,153	185,896,015	93,955,339	50,135	279,901,489
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	32,533,992	61,141,145	–	93,675,137
Other payables, accruals and deposits	151,639	151,639	–	–	151,639
Financial guarantees	–	30,325,006	–	–	30,325,006
	133,630,884	110,869,306	61,857,245	–	172,726,551

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(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 credits, term loans and medium term notes.

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 RM966,755 (2025: RM479,291) and RM403,308 (2025: RM323,086) 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.

(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 transfers between the levels during the current and previous financial year.

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		
2026		
Financial liabilities		
Hire purchase payables	3,602,568	3,501,824
2025		
Financial liabilities		
Hire purchase payables	3,723,987	3,610,797

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (Cont'd)

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.

33. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services, and has four 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	:	Dormant and 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)

33. SEGMENT INFORMATION (CONT'D)

2026	Note	Investment holding RM	Construction RM	Property investment RM	Property development RM	Others RM	Adjustments and eliminations RM	Consolidation RM
Revenue								
External sales		–	951,195,293	104,400	16,801,680	–	–	968,101,373
Results								
Segment results		(6,540,532)	115,198,168	32,480	(2,907,322)	(1,362,355)	(20,903,889)	83,516,550
Finance income		85,875	804,955	–	9,512	–	–	900,342
Finance costs		(6,200,021)	(4,156,921)	–	(5,875,484)	(9,083)	–	(16,241,509)
Profit/(Loss) before tax		(12,654,678)	111,846,202	32,480	(8,773,294)	(1,371,438)	(20,903,889)	68,175,383
Tax expense		–	(31,459,965)	(22,948)	(89,025)	(10,632)	5,450,541	(26,132,029)
Profit/(Loss) for the financial year		(12,654,678)	80,386,237	9,532	(8,862,319)	(1,382,070)	(15,453,348)	42,043,354
Assets								
Segment assets	a	526,727,753	688,489,745	8,895,803	63,940,749	108,610,777	(598,062,596)	798,602,231
Intangible assets		–	–	–	–	–	391,242,486	391,242,486
Tax assets		–	–	2,287	67,085	5,103	–	74,475
Total assets							(206,820,110)	1,189,919,192
Liabilities								
Segment liabilities	b	169,747,906	504,193,254	3,665,615	85,708,311	107,114,092	(146,070,099)	724,359,079
Deferred tax liabilities		–	356,096	196,599	25,000	7,000	5,258,541	5,843,236
Tax liabilities		–	13,931,808	191	60,716	–	–	13,992,715
Total liabilities							(140,811,558)	744,195,030

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

33. SEGMENT INFORMATION (CONT'D)

2026	Note	Investment holding RM	Construction RM	Property investment RM	Property development RM	Others RM	Adjustments and eliminations RM	Consolidation RM
Other segment information								
Deposits written off		-	-	-	85,125	2,882	-	88,007
Depreciation of property, plant and equipment	c	451,836	2,240,983	-	287,885	39,321	4,616	3,024,641
Fair value gain on investment properties		-	(40,000)	(20,000)	(200,000)	-	-	(260,000)
Impairment losses on:								
- amounts due from subsidiaries	d	221,486	3,946,956	-	-	-	(4,168,442)	-
- trade receivables		-	-	24,000	-	-	-	24,000
Interest income		(85,875)	(804,955)	-	(9,512)	-	-	(900,342)
Interest expense		6,200,021	4,156,921	-	5,875,484	9,083	-	16,241,509
Loss on lease derecognition		-	-	-	82,582	-	-	82,582
Property, plant and equipment written off		-	252,141	-	-	-	-	252,141
Rental income from premises		-	(9,000)	-	(296,400)	(68,400)	-	(373,800)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

33. 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)

33. SEGMENT INFORMATION (CONT'D)

	Note	Investment holding RM	Construction RM	Property investment RM	Property development RM	Others RM	Adjustments and eliminations RM	Consolidation RM
2025								
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)

33. 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:

	2026 RM	2025 RM
Amount due from holding company	(62,374,254)	(47,635,469)
Amounts due from related companies	(12,951,909)	(8,987,966)
Amounts due from subsidiaries	(21,962,034)	(651,295)
Intra group transactions	(4,616)	–
Investment in subsidiaries	(500,769,783)	(496,021,679)
	(598,062,596)	(553,296,409)

- (b) The following items are deducted from segment liabilities to arrive at total liabilities reported in consolidated statement of financial position:

	2026 RM	2025 RM
Amount due to holding company	30,547,990	9,015,765
Amount due to related companies	53,147,859	45,236,961
Amounts due to subsidiaries	62,374,253	47,635,469
Intra group transactions	(3)	(4)
	146,070,099	101,888,191

- (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 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 four (2025: three) customers represented RM564,167,401 (2025: RM327,418,847) of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- (a) On 24 November 2025, Varia Crest Sdn. Bhd. ("VCSB"), a wholly-owned subsidiary of Varia Properties Sdn. Bhd. ("VPSB"), which in turn is a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement ("JVA") with Citaglobal Property Development Sdn. Bhd. to undertake a mixed-use development on a piece of 99-year leasehold commercial land held under Master Title PN 27027, Lot 147, Seksyen 87, Mukim Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur. The leasehold land is scheduled to expire on 29 December 2093 and is currently intended for commercial development purposes. The proposed development is currently at the planning stage and is intended to comprise a mixed-use development with office and commercial components. The estimated gross development value of the project is approximately RM600 million.

On 4 June 2026, VCSB has fulfilled all conditions precedent as stipulated in the JVA. Accordingly, the JVA has become unconditional and has been completed in accordance with its terms.

- (b) On 29 May 2026, Varia Era Sdn. Bhd. ("VESB"), a wholly-owned subsidiary of VPSB, which in turn is a wholly-owned subsidiary of the Company, entered into a Joint Development Agreement with Cahaya Nusantara Sdn. Bhd. to jointly develop a piece of freehold land held under Title No. Hakmilik Sementara Daftar 11001, PT13110, Presint 7, Bandar Putrajaya, District of Putrajaya, State of Wilayah Persekutuan Putrajaya comprising in area of 27,585 square metre (approximately 6.82 acres) ("Land") into a mixed development estate within the Land.

As at the date of this report, the conditions precedent have yet to be fulfilled.

- (c) On 9 June 2026, Varia Southrise Sdn. Bhd. ("VSSB"), a wholly-owned subsidiary of VPSB, which in turn is a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement ("JVA") with Seri Alam Properties Sdn. Bhd., to jointly develop a piece of freehold land held under Individual Title Geran 264634, Lot 89848, Mukim Plentong in the district of Johor Bahru, Negeri Johor measuring approximately 43,810 square metres, which is located in Bandar Seri Alam, Johor Bahru for a proposed residential development within the Land comprising 2 blocks of 20 and 21 storey each of medium-cost stratified apartments (totaling 645 units) with all ancillary facilities including one (1) unit of TNB sub-station and other facilities/amenities.

On 31 July 2026, VSSB has fulfilled all conditions precedent as stipulated in the JVA. Accordingly, the JVA has become unconditional and has been completed in accordance with its terms.

35. 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 2026 and financial year ended 30 June 2025.

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)

35. CAPITAL MANAGEMENT (CONT'D)

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Loans and borrowings	260,062,691	131,987,489	106,780,127	85,843,776
Trade payables	343,884,046	133,477,945	–	–
Other payables, accruals and deposits	83,357,363	665,719	593,526	151,639
Amounts due to subsidiaries	–	–	62,374,253	47,635,469
	687,304,100	266,131,153	169,747,906	133,630,884
Less: Deposits, cash and bank balances	(46,917,917)	(25,664,935)	(4,598,954)	(2,718,904)
Net debts	640,386,183	240,466,218	165,148,952	130,911,980
Total equity	445,744,605	402,554,033	356,979,847	368,511,750
Net debt-to-equity ratio	1.44	0.60	0.46	0.36

The Group is subject to the following externally imposed capital requirements:

- (i) gearing ratio of a subsidiary of the Group not exceeding 2.5 times;
- (ii) gearing ratio of the Group not exceeding 2.0 times;
- (iii) Finance-to-Equity Ratio of the Group not exceeding 2.5 times; and
- (iv) minimum Finance Service Coverage Ratio of the Group of 1.15 times.

The Group is in compliance with this externally imposed capital requirements.

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 98 to 158 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2026 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: 22 October 2026

STATUTORY DECLARATION

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **DATUK 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 98 to 158 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.

.....
DATUK RAIZITA BINTI AHMAD @ HARUN

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in Selangor Darul Ehsan on 22 October 2026.

Before me,

.....
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 2026 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 98 to 158.

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 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and 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 (Notes 4(a) and 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 4(b), 22 and 23 to the financial statements)

Revenue and corresponding costs recognition for property development activity (Notes 4(b), 22 and 23 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 4(c), 10 and 13)

The Group has significant trade receivables and contract assets as at 30 June 2026, 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)

Group (Cont'd)

Acquisition of development rights (Notes 4(d), 7(b) and 21(a))

The Group entered into a joint development agreement with a third party in relation to a parcel of land. Upon fulfilment of the contractual conditions, the Group recognised development rights over the land as inventories together with the related obligations arising from the agreement.

We focused on this area due to the recognition and corresponding obligations arising from the agreement.

Our response:

Our audit procedures included, among others:

- reading and assessing the key terms and conditions of the joint development agreement and related agreements;
- evaluating management's assessment of the commercial substance of the arrangement;
- evaluating the appropriateness of the accounting treatment adopted, including the recognition of development rights and related liabilities;
- assessing whether the consideration recognised as part of the development rights cost was consistent with the contractual arrangements and applicable financial reporting standards; and
- testing the key inputs and supporting documents used in determining the value of the development rights and related obligations recognised.

Company

Investment in subsidiaries (Notes 4(e) and 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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (Cont'd)

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

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: (Cont'd)

- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the 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: 22 October 2026

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for the purpose of Shariah Screening by the Shariah Advisory Council of the Securities Commission Malaysia:

(A) Group Total Income and Total Assets

	FY2026 RM	FY2025 RM
Total Income		
Revenue	968,101,373	546,771,013
Other income	1,335,031	2,053,891
Finance income	900,342	585,195
Total Income	970,336,746	549,410,099
Total Assets	1,189,919,192	734,317,944

(B) Business Activities

	FY2026 RM	FY2025 RM
Shariah Non-Compliant Activities		
Finance income	473,403.52	134,555.04

(C) Component of Financial Position

	FY2026 RM	FY2025 RM
(i) Cash Component		
Islamic Account/Instruments		
Cash in hand	–	–
Cash and bank balances	5,680,698	12,480,350
Deposits with licensed bank	22,908,554	6,939,832
Total	28,589,252	19,420,182
Conventional Account/Instruments		
Cash in hand	216,101	140,509
Cash and bank balances	18,092,161	6,104,244
Deposits with licensed bank	20,403	–
Total	18,328,665	6,244,753

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (Cont'd)

(C) Component of Financial Position (Cont'd)

	FY2026 RM	FY2025 RM
(ii) Debts Component		
Islamic Financing		
Current		
Term loans	100,800	–
Hire purchase payables	23,249	55,800
Bank overdrafts	11,802,557	10,943,762
Revolving credit	130,281,208	25,200,161
	142,207,814	36,199,723
Non-current		
Term loans	848,800	–
Hire purchase payables	–	23,250
Medium term notes	48,937,772	–
	49,786,572	23,250
Total	191,994,386	36,222,973
Conventional Borrowing		
Current		
Term loans	29,931,574	29,659,401
Lease liabilities	520,423	515,637
Hire purchase payables	1,012,087	897,268
Bank overdrafts	2,994,412	2,987,089
	34,458,496	34,059,395
Non-current		
Term loans	29,512,019	57,338,704
Lease liabilities	1,530,558	1,618,748
Hire purchase payables	2,567,232	2,747,669
	33,609,809	61,705,121
Total	68,068,305	95,764,516
Total Debts Component	260,062,691	131,987,489

LIST OF PROPERTIES

AS AT 30 JUNE 2026

Location	Description (Existing Use)	Tenure (Age of Building)	Land Area (Built-Up Area) sq. ft.	Net Book Value as at 30.06.2026 RM	Date of Valuation/ Acquisition
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 (28 years)	5,769 (7,741)	1,470,000	30.06.2026
Lot PT31508 No. 30 Jalan Matahari AA U5/AA Seksyen U5 Bandar Pinggiran Subang 40150 Shah Alam Selangor Darul Ehsan	3-storey shop office (rented)	Leasehold Expiring on 25.01.2095 (27 years)	3,200 (8,680)	1,400,000	30.06.2026
Lot PT31479 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 vacant)	Leasehold Expiring on 25.01.2095 (27 years)	3,200 (8,680)	1,400,000	30.06.2026
Lot 75 No. 16 Jalan Dinar D U3/D Seksyen U3 Taman Subang Perdana 40150 Shah Alam Selangor Darul Ehsan	4-storey shop office (Ground floor rented)	Leasehold Expiring on 25.09.2095 (21 years)	1,765 (7,061)	1,900,000	30.06.2026
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 (23 years)	3,387 (2,316)	540,000	30.06.2026
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 (23 years)	3,340 (2,316)	570,000	30.06.2026
Lot PT2773 No. 18, Jalan Uranus AH U5/AH Taman Subang Impian Seksyen U5 40150 Shah Alam Selangor Darul Ehsan	3 Storey Shop Office (Ground & 1 st floor rented)	Leasehold Expiring on 03.04.2099 (26 years)	1,760 (5,280)	1,100,000	30.06.2026

LIST OF PROPERTIES

(Cont'd)

Location	Description (Existing Use)	Tenure (Age of Building)	Land Area (Built-Up Area) sq. ft.	Net Book Value as at 30.06.2026 RM	Date of Valuation/ Acquisition
No. 9 Lorong Cakera Purnama 12/1 42300 Bandar Puncak Alam Selangor Darul Ehsan	Double Storey house (rented)	Leasehold Expiring on 14.07.2109 (16 years)	1,400 (1,469)	420,000	30.06.2026
No. 15 Lintang Bukit Jambul 3 11900 Bayan Lepas Pulau Pinang	Double Storey Semi-Detached house (vacant)	Leasehold Expiring on 07.11.2100 (6 years)	5,070 (4,242)	2,600,000	30.06.2026
Lot 5723, Pekan Panchor Daerah Seremban Negeri Sembilan	Industrial Land (vacant)	Leasehold Expiring on 19.01.2096	23,412	440,000	30.06.2026

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2026

Type of securities : Ordinary shares
 Issued shares : 432,515,000 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	19	2.17	379	0.00
100 to 1,000 shares	303	34.59	253,833	0.06
1,001 to 10,000 shares	295	33.68	1,406,181	0.32
10,001 to 100,000 shares	155	17.69	5,800,621	1.34
100,001 to less than 5% of issued shares	100	11.41	151,885,886	35.12
5% and above of issued shares	4	0.46	273,168,100	63.16
Total	876	100.00	432,515,000	100.00

THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Datuk Lau Beng Wei	46,500,000	10.75
2.	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd - Pledged Securities Account for Datuk Lau Beng Wei	32,000,000	7.40
3.	Datuk Lau Beng Sin	31,588,939	7.30
4.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Datuk Lau Beng Sin	30,000,000	6.94
5.	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd - Pledged Securities Account for Datuk Lau Beng Sin	27,000,000	6.24
6.	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Private Wealth Management for Datuk Lau Beng Wei	22,500,000	5.20
7.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Teo Boon Hing	21,000,000	4.86
8.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Shanmuga A/L Indran	15,000,000	3.47
9.	Varia Engineering & Services Sdn. Bhd.	14,103,755	3.26
10.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Pang Fong Mui	12,000,000	2.77
11.	Neoh Soon Hiong	9,651,500	2.23
12.	Berjaya Equity Nominees (Tempatan) Sdn Bhd - Berjaya Mutual Berhad for Amanah Raya Berhad for Common Fund	9,411,000	2.18
13.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Chee Kiang	9,000,000	2.08

ANALYSIS OF SHAREHOLDINGS (Cont'd)

THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholder	No. of Shares	%
14.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Varia Engineering & Services Sdn. Bhd.	9,000,000	2.08
15.	Amanah Raya Berhad - Kumpulan Wang Bersama Syariah	8,644,000	2.00
16.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad For Lee Chee Kiang	8,250,000	1.91
17.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Datuk Lau Beng Wei	7,000,000	1.62
18.	Maybank Nominees (Tempatan) Sdn Bhd - MTrustee Berhad for Ang Hung Teck	5,775,000	1.34
19.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - AmBank (M) Berhad for Datuk Lau Beng Wei	5,566,829	1.29
20.	Pang Fong Mui	5,267,000	1.22
21.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Khor Kai Fu	5,000,000	1.16
22.	Datuk Lau Beng Wei	5,000,000	1.16
23.	Datin Wang Poh Chin	5,000,000	1.16
24.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Aun Hooi	4,796,000	1.11
25.	Datuk Lau Beng Wei	4,441,171	1.03
26.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - AmBank (M) Berhad for Datuk Lau Beng Sin	4,283,061	0.99
27.	Teo Boon Hing	4,125,000	0.95
28.	Norsamira Binti Mohd Zooki	3,500,000	0.81
29.	Pang Fong Mui	3,158,300	0.73
30.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Datuk Lau Beng Sin	3,050,000	0.71
Total		371,611,555	85.92

ANALYSIS OF SHAREHOLDINGS (Cont'd)

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Datuk Lau Beng Wei	123,008,000	28.44	34,113,100 ⁽¹⁾	7.89 ⁽¹⁾
Datuk Lau Beng Sin	95,922,000	22.18	26,113,100 ⁽²⁾	6.04 ⁽²⁾
Teo Boon Hing	28,125,000	6.50	—	—
Varia Engineering & Services Sdn Bhd	26,113,100	6.04	—	—

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	123,008,000	28.44	34,113,100 ⁽¹⁾	7.89 ⁽¹⁾
Datuk Lau Beng Sin	95,922,000	22.18	26,113,100 ⁽²⁾	6.04 ⁽²⁾
Datuk Wira Roslan bin Ab Rahman	—	—	—	—
Datuk Kok Boon Kiat	—	—	—	—
Datin Wang Poh Chin	8,000,000	1.85	149,121,100 ⁽¹⁾	34.48 ⁽¹⁾
Shahrizam bin A Shukor	—	—	—	—
Sharifah Rafidah binti Wan Mansor	—	—	—	—
Lailatul Azma binti Abdullah	—	—	—	—

Notes:

- (1) Deemed interest by virtue of shareholdings held via spouse and Varia Engineering & Services Sdn Bhd ("VES").
 (2) Deemed interest by virtue of shareholdings held via VES.

NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Ninth Annual General Meeting ("29th AGM") of Varia Berhad ("Company") will be held at Bukit Tunku Room, Level 9, M Resort & Hotel Kuala Lumpur, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur on Thursday, 26 November 2026 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 2026 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 RM574,000 from November 2026 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 RM245,000 from November 2026 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) Dato' Sri Dr. Mohd Nizom bin Sairi | <i>Resolution 3</i> |
| (b) Datuk Kok Boon Kiat | <i>Resolution 4</i> |
| (c) En. Shahrizam bin A Shukor | <i>Resolution 5</i> |
| 5. To re-elect Datin Wang Poh Chin who is retiring pursuant to Article 115 of the Company's Constitution. | <i>Resolution 6</i> |
| 6. To re-appoint Baker Tilly Monteiro Heng PLT as Auditors and to authorise the Directors to fix their remuneration. | <i>Resolution 7</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 | <i>Resolution 8</i> |
|--|---------------------|

"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."

NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Cont'd)

8. **ORDINARY RESOLUTION PROPOSED SHARE BUY-BACK AUTHORITY**

Resolution 9

"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 fit 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."

9. To transact any other business of which due notice shall have been given.

NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Cont'd)

BY ORDER OF THE BOARD

CHIN FOONG PING
(MAICSA 7044276 / SSM PC No. 202008002708)
Company Secretary

Petaling Jaya
28 October 2026

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 29th AGM or at any adjournment thereof. Please refer to the Administrative Notes of the 29th AGM for further information on the e-Proxy Lodgement.
6. For purpose of determining members' eligibility to attend the 29th AGM, only members whose names appear in the Record of Depositors as at 19 November 2026 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.

NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Cont'd)

EXPLANATORY NOTES (CONT'D)

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 and medical benefits, 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 RM574,000 to the Non-Executive Directors from November 2026 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 RM245,000 from November 2026 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, Board Committees and general meetings as well as medical benefits.

3. Ordinary Resolutions 3 to 6 – 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 2026.

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 Directors have 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 8 - Authority to Allot and Issue Shares

The proposed Ordinary Resolution 8 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 8 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 28th AGM.

NOTICE OF TWENTY NINTH ANNUAL GENERAL MEETING (Cont'd)

EXPLANATORY NOTES (CONT'D)

5. Ordinary Resolution 9 – 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 Circular to Shareholders dated on 28 October 2026 of the Company which can be downloaded from our Company's website at www.varia.com.my.

PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 29th 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 29th AGM (including any adjournment thereof), preparing and compiling attendance lists, minutes and other documents relating to the 29th 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 29TH 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 29th AGM of the Company, other than the Directors who are standing for re-election pursuant to Resolutions No. 3 to 6 as set out in the Notice of 29th 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 8 of the Notice of 29th AGM.

ADMINISTRATIVE NOTES

Meeting : **29th Annual General Meeting ("29th AGM" or "Meeting")**
 Day / Date : **Thursday, 26 November 2026**
 Time : **10:00 a.m.**
 Venue : **Bukit Tunku Room, Level 9, M Resort & Hotel Kuala Lumpur, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur**

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.proxy@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

- Open an internet browser. latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
- Log in to BSIP website at <https://investor.boardroomlimited.com>
- Login your BSIP account with your registered email address and password.
- Enter the OTP sent to your registered email address to verify your identity.
- Click "**Meeting Event**" and select <<**VARIA BERHAD 29TH 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, 24 November 2026 at 10:00 a.m.**

- 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.

ADMINISTRATIVE NOTES (Cont'd)

- 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 29TH 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.proxy@boardroomlimited.com to revoke the appointment of proxy/proxies.

- 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

- The registration counter shall open at 8:30 a.m. on Thursday, 26 November 2026. 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.
- 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 **19 November 2026** shall be entitled to attend, participate, speak and vote at the 29th AGM.

D. VOTING PROCEDURE

- The voting at the 29th 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.
- Upon the conclusion of the voting session for the 29th 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 29th 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.



VARIA BERHAD
199701004603 (420099-X)
(Incorporated in Malaysia)

PROXY FORM

29TH 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 (<i>in capital letters</i>)	MyKad/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Mobile No.		

and/or

Full Name (<i>in capital letters</i>)	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 29th Annual General Meeting of the Company to be held at Bukit Tunku Room, Level 9, M Resort & Hotel Kuala Lumpur, Jalan Damansara, Bukit Kiara, 60000 Kuala Lumpur on Thursday, 26 November 2026 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 Dato' Sri Dr. Mohd Nizom bin Sairi as Director		
4.	To re-elect Datuk Kok Boon Kiat as Director		
5.	To re-elect En. Shahrizam bin A Shukor as Director		
6.	To re-elect Datin Wang Poh Chin as Director		
7.	To re-appoint Baker Tilly Monteiro Heng PLT as Auditors		
8.	To authorise the allotment and issuance of new shares pursuant to Sections 75 and 76 of the Companies Act 2016		
9.	To approve the Proposed Share Buy-Back Authority		

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 2026

.....
Signature/Common Seal of Member

Notes:

- 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.
- 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.
- 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.
- 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.
- 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 29th AGM or at any adjournment thereof. Please refer to the Administrative Notes of the 29th AGM for further information on the e-Proxy Lodgement.
- For purpose of determining members' eligibility to attend the 29th AGM, only members whose names appear in the Record of Depositors as at 19 November 2026 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on his behalf.



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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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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

varia@varia.com.my