FINANCIAL STATEMENTS

CONTENTS **PAGE(S)**

Directors' report	1 - 7
Independent auditors' report	8 - 15
Statements of profit or loss	16 - 17
Statements of other comprehensive income	18
Statements of financial position	19 - 20
Statements of changes in equity	21 - 23
Statements of cash flows	24 - 28
Notes to the financial statements	29 - 148
Statement by Directors	149
Declaration by the officer primarily responsible for the financial management of the Company	150

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors of **LION INDUSTRIES CORPORATION BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial period ended 30 June 2026.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding, property development and provision of electricity.

The principal activities of the subsidiary companies are manufacture and marketing of steel bars, wire rods, and steel related products; trading and distribution of building materials and other steel products; manufacture and trading of lubricants, automotive products and petroleum products; property development and investment holding.

The information on the name, principal place of business, place of incorporation and principal activities of the subsidiary companies, and percentage of ownership of the holding company in each subsidiary company is disclosed in Note 43 to the financial statements.

CHANGE OF FINANCIAL YEAR END

The Company had changed its financial year end from 31 December to 30 June. Consequently, the financial statements of the Group and of the Company are made up for a period of 18 months from 1 January 2025 to 30 June 2026.

RESULTS

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

	The Group RM'000	**The Company RM'000**
Loss for the period	(211,079)	(116,588)
Loss attributable to:		
- Owners of the Company	(204,759)	(116,588)
- Non-controlling interests	(6,320)	-
	(211,079)	(116,588)

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

DIVIDEND

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company issued 1,875 new ordinary shares pursuant to the exercise of warrants at an exercise price of RM0.43 per ordinary share for cash.

As at the date of this report, the total number of issued shares of the Company are 717,911,240, including 37,105,300 treasury shares.

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

The Company did not issue any debentures during the financial period.

TREASURY SHARES

The Company did not repurchase its ordinary shares during the financial period. As of 30 June 2026, the Company held 37,105,300 treasury shares at a carrying amount of RM13,192,722.

WARRANTS

The Company had on 14 December 2022 issued 340,400,686 warrants by way of bonus issue on the basis of 1 warrant for every 2 existing ordinary shares held in the Company.

Salient features of the warrants are as follows:

(a) Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or before the maturity date, 12 December 2025, falling 3 years from the date of issuance of the warrants. Unexercised warrants after the exercise period will thereafter lapse and cease to be valid;

(b) The exercise price of the warrants is fixed at RM0.43 per warrant;

(c) The new ordinary shares to be issued upon the exercise of the warrants shall rank *pari passu* in all respects with the existing ordinary shares of the Company; and

(d) The warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2022.

During the financial period, a total of 1,875 warrants were exercised by the warrant holders, resulting in the issuance of 1,875 new ordinary shares in the Company. The remaining 340,398,811 unexercised warrants expired on 12 December 2025.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

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

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including 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:

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

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

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

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

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

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

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

Other than the material uncertainty related to going concern as disclosed in Note 2 to the financial statements, 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 period which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their respective obligations as and when they fall due.

As disclosed in Note 2 to the financial statements, the Group's and the Company's ability to continue as going concerns is dependent upon the successful implementation of certain asset disposal, rationalisation and monetisation initiatives, together with cost optimisation and operational efficiency measures. The Directors have concluded that the going concern basis of preparation remains appropriate. However, the matters disclosed in Note 2 indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concerns.

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

DIRECTORS

The Directors of the Company in office during the financial period and up to the date of this report are:

Tan Sri Cheng Heng Jem	
Tan Sri Dato' Seri Dr Aseh bin Haji Che Mat	(Appointed on 27 November 2025)
Dato' Sun Teoh Tia	
Zainab binti Dato' Hj Mohamed	
Cheng Hui Ya, Serena	
Datuk Seri Utama Raja Nong Chik bin Dato' Raja Zainal Abidin	(Resigned on 27 November 2025)
Dato' Nik Rahmat bin Nik Taib	(Retired on 30 May 2025)

LIST OF DIRECTORS OF SUBSIDIARY COMPANIES

The Directors who held office in the subsidiary companies of the Company during the financial period and up to the date of this report are:

Chan Soik Hui	Lee Boon Liang
Cheng Hui Ya, Serena	Liew Yoo Fong (Appointed on 2 March 2026)
Cheng Hui Yen, Natalie	Liew Jee Min @ Chong Jee Min
Chong Chin Fong	Ooi Kim Lai
Dato' Teoh Teik Jin	Tan Sri Cheng Heng Jem
Dr Folk Jee Yoong	Tan Sri Cheng Yong Kim
Koh Ju Lynn (Appointed on 29 May 2026)	Tan Sri Abd Karim bin Shaikh Munisar
Koh Yong Heng	Tan Yew Tian (Appointed on 29 May 2026)
Koo Chuan Hong	Yeo Keng Leong

Au Jin Ee	(Ceased on 16 March 2026)
Goh Kok Beng	(Resigned with effect from 6 January 2026)
Lee Whay Keong	(Resigned with effect from 14 March 2025)
Poon Sow Har	(Resigned with effect from 13 April 2026)
Wong Pak Yii	(Resigned with effect from 2 March 2026)

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were Directors at the end of the financial period are as follows:

	Number of Ordinary Shares			
	As at 1.1.2025	**Addition**	**Disposal**	**As at 30.6.2026**
Tan Sri Cheng Heng Jem				
Direct interest	222,785,449	-	-	222,785,449
Deemed interest	12,752,369	-	-	12,752,369

DIRECTORS' INTERESTS (continued)

In addition to the above, the following Director was also deemed to have an interest in shares in the Company by virtue of the warrants issued by the Company with a right to subscribe for ordinary shares in the Company on the basis of 1 new ordinary share for every 1 warrant held:

	Number of Warrants			
	As at 1.1.2025	Addition	Disposal/ Lapsed #	As at 30.6.2026
Tan Sri Cheng Heng Jem				
Direct interest	111,392,723	-	(111,392,723)	-
Deemed interest	6,376,184	-	(6,376,184)	-

The warrants expired on 12 December 2025.

The shareholdings in the related corporations during and at the end of the financial period of those who were Directors in office at the end of the financial period are as follows:

	Number of Ordinary Shares			
	As at 1.1.2025	Addition	Disposal	As at 30.6.2026
Tan Sri Cheng Heng Jem				
Direct interest				
Lion Posim Berhad	400	-	-	400
Deemed interest				
Inspirasi Elit Sdn Bhd	212,500	-	-	212,500
Lion Group Management Services Sdn Bhd	5,000,000	-	-	5,000,000
Lion Posim Berhad	170,186,190	-	-	170,186,190
LLB Enterprise Sdn Bhd	940,000	-	-	940,000
Soga Sdn Bhd	4,542,522	-	-	4,542,522
Steelcorp Sdn Bhd	99,750	-	-	99,750

Investments in the People's Republic of China	**Currency**	**As at 1.1.2025**	**Addition**	**Disposal**	**As at 30.6.2026**
Tianjin Baden Real Estate Development Co Ltd (In voluntary liquidation)	USD	5,000,000	-	-	5,000,000
Tianjin Hua Shi Auto Meter Co Ltd (In voluntary liquidation)	USD	10,878,944	-	-	10,878,944

Other than as disclosed above, none of the other Directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during and at the end of the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of remunerations received or due and receivable by the Directors 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 save and except for the benefit which deemed to have arisen by virtue of the balances and transactions between the Company and its related companies and certain companies in which a Director of the Company has a substantial interest, in the ordinary course of business of the Group and of the Company.

Details of the remuneration paid to or receivable by the Directors of the Company classified into executive and non-executive Directors during the financial period are as follows:

	The Group RM'000	The Company RM'000
Executive Director:		
- Fee	108	70
- Salary and other emoluments	3,861	1,446
	3,969	1,516
Non-executive Directors:		
- Fees	387	357
- Salary and other emoluments	258	53
- Defined contribution plans	20	-
	665	410
Total	4,634	1,926

Included in other emoluments is estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group and the Company amounted to RM280,000 and RM Nil respectively.

Neither during nor at the end of the financial period, was the Company a party to any arrangement whose object is to enable Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Directors and Officers of the Group and of the Company are covered under a Directors' and Officers' Liability insurance up to an aggregate limit of RM50,000,000 against any legal liability, if incurred by the Directors and Officers of the Group and of the Company in the discharge of their duties while holding office for the Company and its subsidiary companies.

AUDITORS

The total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company for the current financial period are RM2,624,000 and RM1,287,000 respectively.

The Auditors, Forvis Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

To the extent permitted by laws, the Company has agreed to indemnify its Auditors, Forvis Mazars PLT, as part of the terms of its audit engagement, against claims by third party arising from the audit. No payment has been made to indemnify Forvis Mazars PLT for the current financial period.

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



TAN SRI CHENG HENG JEM



CHENG HUI YA, SERENA

Kuala Lumpur
8 October 2026

forvis mazars

Wisma Golden Eagle Realty
11th Floor, South Block
142-A Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel: +60 3 2702 5222
forvismazars.com

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
LION INDUSTRIES CORPORATION BERHAD
Registration No.: 192401000008 (415-D)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lion Industries Corporation Berhad, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 16 to 148.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and their cash flows for the financial period then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which indicates that the Group incurred a net loss of RM211 million and recorded net cash outflow from operating activities of RM10 million during the financial period ended 30 June 2026. The Company incurred a net loss of RM117 million and recorded net cash outflow from operating activities of RM7 million during the same period and, as at 30 June 2026, the Company was in a net current liabilities position of RM144 million.

As disclosed in Note 2, subsequent to the reporting date, the Group obtained the lender's approval to reschedule the repayment of a RM33.5 million term loan and extend the facility tenure to 31 December 2027. Although the loan rescheduling reduces the Group's near-term debt repayment obligations and provides additional time for the implementation of its planned asset disposals, rationalisation, monetisation and operational improvement initiatives, the Group's and the Company's ability to maintain adequate liquidity and meet their obligations as and when they fall due continues to depend upon the successful implementation of the Group's proposed asset disposals, rationalisation and monetisation initiatives and the achievement of the anticipated benefits arising from its cost optimisation and operational efficiency measures. Neither the Group nor the Company had any undrawn committed banking facilities available to provide additional liquidity as at the date of approval of the financial statements.

The proposed asset disposals, rationalisation and monetisation initiatives are at different stages of evaluation and negotiation and remain subject to the execution of definitive transaction agreements and the satisfaction of relevant commercial, regulatory, shareholders and other conditions, where applicable. The timing, value and outcome of these initiatives are also subject to negotiations with potential counterparties, prevailing market conditions and other factors that are not wholly within the Group's control.

These events and conditions, along with the other matters disclosed in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concern.

Our opinion is not modified in respect of this matter.

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 judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

(a) Recoverable amount of property, plant and equipment at Banting and Klang

The Group's accounting policies, significant judgement and estimates made by the management and disclosure notes on property, plant and equipment are disclosed in Note 3, Note 4(ii)(e) and Note 12 to the financial statements.

The risk:

As at 30 June 2026, the carrying amount of the property, plant and equipment of the Group amounted to RM719 million, representing 56% and 34% of the Group's total non-current assets and total assets respectively. Included in the property, plant and equipment of the Group are property, plant and equipment related to steel manufacturing plants of subsidiaries located at Banting ("Banting Plants") and Klang ("Klang Plants") amounting to RM621 million and RM18 million respectively.

The Banting Plants have temporarily stopped its production activities and the Klang Plants incurred loss during the period. The Directors of the Company deem this as an indicator for impairment and accordingly carried out impairment assessment in accordance with MFRS 136 *Impairment of Assets*, on the Banting Plants and Klang Plants.

The recoverable amount of the Banting Plants and Klang Plants was determined by management based on fair value less cost to sell, by references to the latest valuations carried out by independent valuers.

The valuation process involves significant judgement in determining the appropriate valuation methodologies and the underlying assumptions. The valuations are highly dependent on key assumptions applied and any change in the assumptions can have a significant impact to the valuations.

In view of the significant judgement and estimates required by management in determining the recoverable amount of the Banting Plants and Klang Plants for impairment assessment, we identified the recoverable amount of Banting Plants and Klang Plants as a key audit matter.

How the matter was addressed in our audit:

Our audit procedures to address this area included, among others:

- Obtained an understanding of the Group's policies and procedures to identify indications of impairment of assets;
- Performed physical inspection of Banting Plants and Klang Plants to ensure the physical existence and their conditions;
- Obtained independent valuation reports for the land, buildings, plant and machinery located at Banting and Klang and compared to management's assessment;
- Assessed the competency, capabilities and objectivity of the independent valuers engaged by the Group to determine the market value of Banting Plants and Klang Plants on the determination of the recoverable amounts of these plants;
- Discussed with the valuers to understand the methodologies adopted in determining the market value of Banting Plants and Klang Plants;
- Assessed the reasonableness of the key assumptions and inputs used in the valuation;
- Assessed the appropriateness of the adjustments made to the observable prices in the active market or recent market transactions in determining the market value of Banting Plants and Klang Plants;
- Inquired management about future business plans for Banting Plants and Klang Plants and evaluated the possible financial impacts on the realisation of these plants; and
- Tested the mathematical accuracy of recoverable amount calculation.

(b) Recoverable amount of investment properties in Cambodia

The Group's accounting policies, significant judgements and estimates made by the management and disclosure notes on investment properties are disclosed in Note 3, Note 4(i)(b) and Note 13 to the financial statements.

The risk:

As at 30 June 2026, the carrying amount of the investment properties of the Group amounted to RM104 million, representing 8% and 5% of the Group's total non-current assets and total assets respectively. Included in the investment properties of the Group are freehold land, leasehold land and economic land concessions in Cambodia ("Cambodia Land") amounting to USD25 million, equivalent to RM104 million.

The recoverable amount of the Cambodia Land was determined by management based on fair value less costs to sell, with reference to the latest valuations carried out by independent valuers.

The valuation process involves significant judgements in determining the appropriate valuation methodologies and the underlying assumptions. The valuations are highly dependent on key assumptions applied and any change in the assumptions can have a significant impact to the valuations.

In view of the significant judgements and estimates required by management in determining the recoverable amount of the Cambodia Land, which also includes the Economic Land Concessions ("ELC") totaling RM37 million for which formal lease agreements are pending, as disclosed in Note 13 to the financial statements, and management's plans on its realisation, we identified the recoverable amount of the Cambodia Land as a key audit matter.

How the matter was addressed in our audit:

Our audit procedures to address this area included, among others:

- Obtained an understanding of impairment assessment process and evaluated the design and implementation of the relevant controls surrounding impairment assessment on the Cambodia Land;
- Obtained and evaluated the management assessment in determining the recoverable amount of the Cambodia Land;
- Obtained the independent valuation reports for the Cambodia Land and compared to management's assessment;
- Assessed the competency, capabilities and objectivity of the valuers;
- Obtained and understood the agreements or other relevant documents relating to the conversion of leasehold land and granting of ELC;
- Performed retrospective review of management's plans to convert the ELC to leasehold land;
- Discussed with the valuers to understand the assumptions and methodology used in determining the fair value of the Cambodia Land; and
- Assessed the adequacy and appropriateness of the disclosures in the financial statements.

(c) Recoverable amount of investment in an associated company, Parkson Holdings Berhad

The Group's accounting policies, significant judgement and estimates made by the management and disclosure notes on investment in associated companies are disclosed in Note 3, Note 4(ii)(a) and Note 18 to the financial statements.

The risk:

As at 30 June 2026, the carrying amount of the investment in associated companies of the Group amounted to RM323 million, representing 25% and 15% of the Group's total non-current assets and total assets respectively. Included in the investment in associated companies of the Group is investment in Parkson Holdings Berhad amounting to RM310 million.

As at the reporting date, the market value of investment in Parkson Holdings Berhad is below the Group's carrying amount of investment in the associated company. The Directors had performed an impairment assessment based on the value-in-use ("VIU") method to determine its recoverable amount.

The use of VIU involved significant estimates of the future financial results of the business, in particular, the key assumptions on revenue growth rate, gross profit margin, operating expenses and pre-tax discount rate used in the future cash flows forecasts. The valuations are highly dependent on key assumptions applied and any change in the assumptions can have a significant impact to the valuations.

In view of the significant judgement and estimates required by management in determining the VIU of its investment in Parkson Holdings Berhad, we identified the recoverable amount of investment in Parkson Holdings Berhad as a key audit matter.

How the matter was addressed in our audit:

Our audit procedures to address this area included, among others:

- Obtained an understanding of the relevant processes and internal controls over the impairment assessment process;
- Reviewed the discounted cash flows prepared by management;
- Assessed the reasonableness of key assumptions, including discount rates, forecast growth rates and methodology used in deriving the present value of the cash flows;
- Corroborated the key assumptions with industry analysts' views and available market information and compared to historical results and cash flows of Parkson Holdings Berhad; and
- Tested the mathematical accuracy of recoverable amount calculation.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's 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 and of 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 and the Company to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and performance 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 of 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 43 to the financial statements.

Other Matter

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

FORVIS MAZARS PLT
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

FRANCIS XAVIER JOSEPH
02997/06/2028 J
Chartered Accountant

Kuala Lumpur

8 October 2026

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

		The Group		The Company	
	Note	**1.1.2025 to 30.6.2026 RM'000**	**1.1.2024 to 31.12.2024 RM'000**	**1.1.2025 to 30.6.2026 RM'000**	**1.1.2024 to 31.12.2024 RM'000**
Revenue	5	**1,726,886**	1,661,530	**2,834**	-
Other income		**82,493**	19,616	**259**	45
Net changes in inventories		**(66,586)**	(22,402)	**-**	-
Raw materials and consumables used		**(1,011,087)**	(1,200,615)	**(2,901)**	-
Purchase of trading merchandise		**(494,311)**	(359,134)	**-**	-
Property development cost	24(c)	**(9,622)**	(3,099)	**-**	-
Staff costs	6	**(151,951)**	(117,749)	**(1,061)**	(976)
Directors' remuneration	7	**(4,634)**	(3,126)	**(1,926)**	(1,313)
Investment income	8	**7,861**	4,513	**283**	124
Depreciation and amortisation:					
- Property, plant and equipment	12	**(58,855)**	(43,405)	**(14)**	(50)
- Investment properties	13	**(629)**	(461)	**-**	-
- Prepaid land lease payment	14	**-**	(744)	**-**	-
- Right-of-use assets	15	**(8,255)**	(8,088)	**(281)**	-
Net (loss)/gain on financial assets/liabilities measured at amortised cost		**(2,817)**	-	**(114,043)**	23,480
Impairment losses net of reversals on:					
- Property, plant and equipment	12	**(4,669)**	(17,892)	**-**	-
- Right-of-use assets	15	**87**	(21,166)	**-**	-
- Trade and other receivables	24	**(3,276)**	(3,255)	**59**	(791)
- Amount owing by subsidiary companies	25	**-**	-	**6,335**	1,903
- Long-term investments	20	**318**	607	**-**	-
Other operating expenses		**(133,702)**	(141,236)	**(5,513)**	(1,132)
(Loss)/Profit from operations	6	**(132,749)**	(256,106)	**(115,969)**	21,290

(Forward)

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

	Note	The Group		The Company	
		1.1.2025 to 30.6.2026 RM'000	**1.1.2024 to 31.12.2024 RM'000**	**1.1.2025 to 30.6.2026 RM'000**	**1.1.2024 to 31.12.2024 RM'000**
Finance costs	9	**(53,749)**	(25,366)	**(619)**	(664)
Share of results of:					
- Associated companies	18	**(16,581)**	(23,901)	**-**	-
- Joint venture	19	**(27)**	-	**-**	-
Gain arising from sale and leaseback transactions	41(2)(a) & 41(2)(b)(i)	**-**	220,740	**-**	-
(Loss)/Profit before tax		**(203,106)**	(84,633)	**(116,588)**	20,626
Tax expense	10	**(7,973)**	(272)	**-**	-
(Loss)/Profit for the period/year		**(211,079)**	(84,905)	**(116,588)**	20,626
(Loss)/Profit attributable to:					
- Owners of the Company		**(204,759)**	(87,655)	**(116,588)**	20,626
- Non-controlling interests		**(6,320)**	2,750	**-**	-
		(211,079)	(84,905)	**(116,588)**	20,626
Loss per share (sen):					
Basic and diluted	11	**(30.08)**	(12.88)		

The accompanying Notes form an integral part of the Financial Statements.

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	The Group		The Company	
	1.1.2025 to 30.6.2026 RM'000	**1.1.2024 to 31.12.2024 RM'000**	**1.1.2025 to 30.6.2026 RM'000**	**1.1.2024 to 31.12.2024 RM'000**
(Loss)/Profit for the period/year	**(211,079)**	(84,905)	**(116,588)**	20,626
Other comprehensive (loss)/income				
Items that will not be reclassified subsequently to profit or loss				
Net loss on other investments at fair value through other comprehensive income:				
- Fair value changes	**-**	(41)	**-**	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	**3,261**	(8,692)	**-**	-
Share of other comprehensive loss of associated companies	**(6,915)**	(16,378)	**-**	-
Other comprehensive loss for the period/year, net of tax	**(3,654)**	(25,111)	**-**	-
Total comprehensive (loss)/income for the period/year	**(214,733)**	(110,016)	**(116,588)**	20,626
Total comprehensive (loss)/ income attributable to:				
- Owners of the Company	**(208,103)**	(111,007)	**(116,588)**	20,626
- Non-controlling interests	**(6,630)**	991	**-**	-
	(214,733)	(110,016)	**(116,588)**	20,626

The accompanying Notes form an integral part of the Financial Statements.

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	The Group		The Company	
		30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
		RM'000	**RM'000**	**RM'000**	**RM'000**
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	**718,939**	793,790	**3**	17
Investment properties	13	**103,863**	114,994	**-**	-
Prepaid land lease payments	14	**-**	-	**-**	-
Right-of-use assets	15	**16,188**	21,045	**10,131**	-
Land held for property development	16(a)	**93,063**	51,643	**26**	26
Investment in subsidiary companies	17	**-**	-	**785,534**	786,904
Investment in associated companies	18	**323,412**	358,041	**64,394**	64,394
Investment in joint venture	19	**-**	27	**-**	-
Long term investments	20	**513**	513	**216**	216
Amount owing by subsidiary companies	25	**-**	-	**371,729**	484,904
Deferred tax assets	21	**10,275**	10,153	**-**	-
Goodwill	22	**-**	-	**-**	-
Total Non-Current Assets		**1,266,253**	1,350,206	**1,232,033**	1,336,461
Current Assets					
Property development costs	16(b)	**2,973**	1,606	**-**	-
Inventories	23	**122,617**	221,570	**43**	43
Trade receivables	24(a)	**254,213**	320,838	**2,192**	-
Other receivables, deposits and prepayments	24(b)	**314,355**	382,579	**7,180**	7,706
Contract costs	24(c)	**363**	632	**-**	-
Contract assets	24(d)	**1,397**	2,994	**-**	-
Amount owing by subsidiary companies	25	**-**	-	**115**	4
Current tax assets		**5,450**	6,342	**51**	49
Investment in money market funds	26(a)	**2,576**	2,449	**-**	-
Deposits, cash and bank balances	26(b)	**120,316**	144,129	**4,434**	3,807
		824,260	1,083,139	**14,015**	11,609
Non-current assets classified as held for sale	27	**12,856**	18,130	**-**	-
Total Current Assets		**837,116**	1,101,269	**14,015**	11,609
Total Assets		**2,103,369**	2,451,475	**1,246,048**	1,348,070

(Forward)

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

	Note	The Group		The Company	
		30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
		RM'000	**RM'000**	**RM'000**	**RM'000**
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	28	**1,250,537**	1,250,536	**1,250,537**	1,250,536
Reserves	30	**(468,834)**	(260,731)	**(171,305)**	(54,717)
Equity attributable to owners of the Company		**781,703**	989,805	**1,079,232**	1,195,819
Non-controlling interests		**217,018**	223,648	**-**	-
Total Equity		**998,721**	1,213,453	**1,079,232**	1,195,819
Non-Current and Deferred Liabilities					
Loans and borrowings	31	**46,860**	1,430	**-**	-
Lease liabilities	32	**90,298**	126,431	**9,109**	-
Amount owing to subsidiary companies	25	**-**	-	**-**	146,633
Deferred payables	34	**120,622**	120,622	**-**	-
Deferred tax liabilities	21	**64,241**	64,149	**-**	-
Total Non-Current and Deferred Liabilities		**322,021**	312,632	**9,109**	146,633
Current Liabilities					
Trade payables	33(a)	**306,253**	424,162	**26**	65
Other payables, deposits and accrued expenses	33(b)	**315,766**	341,100	**3,813**	1,094
Contract liabilities	33(c)	**32,805**	35,900	**-**	-
Loans and borrowings	31	**95,731**	98,630	**3,901**	4,459
Lease liabilities	32	**30,253**	25,000	**1,438**	-
Amount owing to subsidiary companies	25	**-**	-	**148,529**	-
Current tax liabilities		**1,819**	598	**-**	-
Total Current Liabilities		**782,627**	925,390	**157,707**	5,618
Total Liabilities		**1,104,648**	1,238,022	**166,816**	152,251
Total Equity and Liabilities		**2,103,369**	2,451,475	**1,246,048**	1,348,070

The accompanying Notes form an integral part of the Financial Statements.

Registration No. 192401000008 (415-D)

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

		Non-distributable reserves							
The Group	**Share capital RM'000**	**Treasury shares RM'000**	**Translation adjustment reserve RM'000**	**Capital reserve RM'000**	**Fair value reserve RM'000**	**Accumulated losses RM'000**	**Attributable to owners of the Company RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2024	1,250,536	(13,193)	73,250	(65,215)	-	(144,566)	1,100,812	222,657	1,323,469
(Loss)/Profit for the year	-	-	-	-	-	(87,655)	(87,655)	2,750	(84,905)
Other comprehensive loss for the year	-	-	(9,785)	(13,526)	(41)	-	(23,352)	(1,759)	(25,111)
Total comprehensive (loss)/ income for the year	-	-	(9,785)	(13,526)	(41)	(87,655)	(111,007)	991	(110,016)
At 31 December 2024	1,250,536	(13,193)	63,465	(78,741)	(41)	(232,221)	989,805	223,648	1,213,453

(Forward)

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

The Group	Share capital RM'000	Non-distributable reserves: Treasury shares RM'000	Non-distributable reserves: Translation adjustment reserve RM'000	Non-distributable reserves: Capital and surplus reserves RM'000	Non-distributable reserves: Fair value reserve RM'000	Accumulated losses RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2025	**1,250,536**	**(13,193)**	**63,465**	**(78,741)**	**(41)**	**(232,221)**	**989,805**	**223,648**	**1,213,453**
Exercise of warrants	**1**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**1**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(204,759)**	**(204,759)**	**(6,320)**	**(211,079)**
Other comprehensive income/ (loss) for the period	**-**	**-**	**3,571**	**(6,915)**	**-**	**-**	**(3,344)**	**(310)**	**(3,654)**
Total comprehensive income/(loss) for the period	**-**	**-**	**3,571**	**(6,915)**	**-**	**(204,759)**	**(208,103)**	**(6,630)**	**(214,733)**
Transfer to reserve	**-**	**-**	**-**	**497**	**-**	**(497)**	**-**	**-**	**-**
At 30 June 2026	**1,250,537**	**(13,193)**	**67,036**	**(85,656)**	**(41)**	**(436,980)**	**781,703**	**217,018**	**998,721**

(Forward)

The Company		**Non-distributable reserves**			
	Share capital RM'000	**Treasury shares RM'000**	**Capital reserve RM'000**	**Accumulated losses RM'000**	**Total equity RM'000**
At 1 January 2024	1,250,536	(13,193)	5,419	(67,569)	1,175,193
Total comprehensive income for the year	-	-	-	20,626	20,626
At 31 December 2024	1,250,536	(13,193)	5,419	(46,943)	1,195,819
At 1 January 2025	**1,250,536**	**(13,193)**	**5,419**	**(46,943)**	**1,195,819**
Exercise of warrants	**1**	**-**	**-**	**-**	**1**
Total comprehensive loss for the period	**-**	**-**	**-**	**(116,588)**	**(116,588)**
At 30 June 2026	**1,250,537**	**(13,193)**	**5,419**	**(163,531)**	**1,079,232**

The accompanying Notes form an integral part of the Financial Statements.

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	Note	The Group 1.1.2025 to 30.6.2026 RM'000	1.1.2024 to 31.12.2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(203,106)**	(84,633)
Adjustments for:			
Depreciation and amortisation:			
- Property, plant and equipment	12	**58,855**	43,405
- Investment properties	13	**629**	461
- Prepaid land lease payment	14	**-**	744
- Right-of-use assets	15	**8,255**	8,088
Finance costs	9	**53,749**	25,366
Allowance for obsolescence of inventories	23	**149**	35,174
Inventories written (back)/down	23	**(2,463)**	8,851
Inventories written off	23	**-**	98
Unrealised loss on foreign exchange	6	**86**	3,235
Impairment losses net of reversals on:			
- Property, plant and equipment	12	**4,669**	17,892
- Right-of-use assets	15	**(87)**	21,166
- Trade and other receivables	24	**3,276**	3,255
- Long term investments	20	**(318)**	(607)
Property, plant and equipment written off	12	**4**	693
Share of results of:			
- Associated companies	18	**16,581**	23,901
- Joint venture	19	**27**	-
Investment income		**(7,861)**	(4,607)
Gain arising from sale and leaseback transactions (Note)		**-**	(220,740)
Loss/(Gain) on disposal of property, plant and equipment		**13,440**	(976)
Gain on disposal of investment properties		**(216)**	-
Gain on disposal of non-current assets classified as held for sale		**(33,395)**	-
Gain on dissolution of an associated company		**(224)**	-
(Gain)/Loss on expiry and termination of lease	15 & 32	**(158)**	6,774
Net loss on financial assets measured at amortised costs	6	**2,817**	-
Operating Loss Before Working Capital Changes		**(85,291)**	(112,460)

(Forward)

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

	Note	The Group 1.1.2025 to 30.6.2026 RM'000	1.1.2024 to 31.12.2024 RM'000
Movements in working capital:			
Decrease/(Increase) in:			
- Inventories		**101,267**	42,441
- Trade and other receivables, deposits and prepayments, contract cost and contract assets		**136,802**	(54,308)
- Property development costs		**(1,367)**	3,130
(Decrease)/Increase in:			
- Trade and other payables, deposits, accrued expenses and contract liabilities		**(147,183)**	5,388
Cash From/(Used In) Operations		**4,228**	(115,809)
Interest received		**7,861**	4,607
Interest paid		**(16,422)**	(8,361)
Net income tax paid		**(5,890)**	(1,358)
Net Cash Used In Operating Activities		**(10,223)**	(120,921)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital distribution/repayment from:			
- associated companies		**19,228**	-
- joint venture		**-**	90
Increase in investment in money market funds		**(127)**	(87)
Proceeds from disposal/redemption/dissolution of:			
- Property, plant and equipment and prepaid land lease payment (Note A)		**20,493**	363,701
- Investment properties		**280**	-
- Non-current assets classified as held for sale (Note B)		**21,335**	-
- Long-term investments		**318**	638
- Associated company		**224**	-
Payments of deferred payables	34	**-**	(123,103)
Additions of:			
- property, plant and equipment		**(22,612)**	(8,333)
- land held for property development		**(30,133)**	(17)
- Non-current assets classified as held for sale		**(131)**	-
Decrease in cash and cash equivalents - restricted	26(b)	**192**	899
Net Cash From Investing Activities		**9,067**	233,788

(Forward)

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

	Note	The Group 1.1.2025 to 30.6.2026 RM'000	1.1.2024 to 31.12.2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Exercise of warrants		**1**	-
Net drawndown/(repayment) of:			
- Short-term borrowings	31(b)	**44,898**	(48,458)
- Lease liabilities	32	**(34,033)**	(8,429)
- Hire purchase obligations	31(b)	**(143)**	(252)
Interest paid		**(30,280)**	(12,348)
Net Cash Used In Financing Activities		**(19,557)**	(69,487)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(20,713)**	43,380
Effect of foreign exchange differences		**(329)**	(1,441)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR		**112,625**	70,686
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	35	**91,583**	112,625
Note A:			
Proceeds from disposal of property, plant and equipment and prepaid land lease payments		**20,493**	363,701
Less: Carrying amount of property, plant and equipment		**(33,933)**	(3,295)
Less: Carrying amount of prepaid land lease payments		**-**	(30,796)
Add: Addition of right-of-use assets arising from leaseback (Note 15)		**-**	34,348
Less: Addition of lease liabilities arising from leaseback (Note 32)		**-**	(142,242)
(Loss)/Gain on disposal of property, plant and equipment and prepaid land lease payments		**(13,440)**	221,716

In the previous year, the gain on disposal of property, plant and equipment and prepaid land lease payments, comprised RM220,740,000 from the sale and leaseback transactions and RM976,000 from the disposal of property, plant and equipment.

Note B:			
Proceeds from disposal of non-current assets held for sale		**21,335**	-
Other receivable		**17,465**	-
Less: Carrying amount of non-current assets held for sale		**(5,405)**	-
Gain on disposal of non-current assets held for sale		**33,395**	-

(Forward)

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

	Note	The Company	
		1.1.2025 to 30.6.2026	**1.1.2024 to 31.12.2024**
		RM'000	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before tax		**(116,588)**	20,626
Adjustments for:			
Impairment losses no longer required for:			
- Trade and other receivables	24	**(59)**	(31)
- Amount owing by subsidiary companies	25	**(6,335)**	(2,124)
Bad debt written off		**5**	6
Finance costs	9	**619**	664
Depreciation of:			
- Property, plant and equipment	12	**14**	50
- Right-of-use assets	15	**281**	-
Impairment losses on:			
- Amount owing by subsidiary companies	25	**-**	221
- Trade and other receivables	24	**-**	822
Gain on dissolution of an associated company		**(224)**	-
Net loss/(gain) on financial assets/liabilities measured at amortised cost		**114,043**	(23,480)
Interest income		**(283)**	(124)
Operating Loss Before Working Capital Changes		**(8,527)**	(3,370)
Movements in working capital:			
(Increase)/Decrease in trade and other receivables, deposits and prepayments		**(1,612)**	154
Increase/(Decrease) in trade and other payables, deposits and accrued expenses		**2,680**	(61)
Cash Used In operations		**(7,459)**	(3,277)
Interest received		**283**	124
Interest paid		**(1)**	(292)
Net income tax (paid)/refunded		**(2)**	1
Net Cash Used In Operating Activities		**(7,179)**	(3,444)

(Forward)

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

	Note	The Company	
		1.1.2025 to 30.6.2026	**1.1.2024 to 31.12.2024**
		RM'000	**RM'000**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from dissolution of an associated company		**224**	-
Addition of property, plant and equipment		**-**	(2)
Decrease in amount owing by subsidiary companies		**30,389**	11,226
Increase in cash and cash equivalents - restricted	26(b)	**(176)**	(93)
Net Cash From Investing Activities		**30,437**	11,131
CASH FLOWS FROM FINANCING ACTIVITIES			
Exercise of warrants		**1**	-
Repayment of short-term borrowings	31(b)	**(558)**	(361)
Interest paid		**(483)**	(372)
Decrease in amount owing to subsidiary companies	25	**(21,767)**	(5,032)
Net Cash Used In Financing Activities		**(22,807)**	(5,765)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**451**	1,922
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR		**326**	(1,596)
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	35	**777**	326

The accompanying Notes form an integral part of the Financial Statements.

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

1. GENERAL INFORMATION

Lion Industries Corporation Berhad (“Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company’s principal activities are investment holding, property development and provision of electricity.

The information on the name, principal place of business, place of incorporation, and principal activities of the subsidiary companies, and percentage of ownership of the holding company in each subsidiary company is disclosed in Note 43.

The registered office of the Company is located at Level 14, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at Level 2-4, Lion Office Tower, No. 1 Jalan Nagasari, 50200 Kuala Lumpur, Wilayah Persekutuan.

The Company had changed its financial year end from 31 December to 30 June. Consequently, the financial statements of the Group and of the Company are made up for a period of 18 months from 1 January 2025 to 30 June 2026.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 8 October 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards issued by the Malaysian Accounting Standards Board ("MASB"), IFRS Accounting Standards issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000 or '000), unless otherwise indicated.

Going concern

During the financial period ended 30 June 2026, the Group incurred a net loss of RM211 million and recorded net cash outflow from operating activities of RM10 million. As at 30 June 2026, the Group remained in a net current assets position of RM54 million and had total equity attributable to owners of the Company of RM782 million.

During the financial period ended 30 June 2026, the Company incurred a net loss of RM117 million and recorded net cash outflow from operating activities of RM7 million. As at 30 June 2026, the Company was in a net current liabilities position of RM144 million and had total equity attributable to owners of the Company of RM1,079 million.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Going concern (continued)

In assessing the appropriateness of the going concern basis of preparation, the Directors have considered the Group's and the Company's current financial position and funding needs covering a period of at least twelve months from the reporting date.

The Directors' assessment indicates that the Group's and the Company's ability to meet their obligations as and when they fall due is dependent upon the successful implementation of a number of plans and initiatives aimed at generating additional liquidity and improving operating performance, including the proposed disposal of certain steel manufacturing assets, asset monetisation initiatives and cost optimisation measures.

Proposed asset disposal, asset rationalisation and monetisation initiatives

The Group is actively pursuing various strategic initiatives to strengthen its liquidity position, optimise its asset portfolio and support its ongoing operational and financing requirements. These initiatives include the proposed disposal of certain non-core and operational assets within the steel business segment, together with other asset rationalisation and monetisation opportunities.

As at the date of approval of these financial statements, certain proposed disposals of approximately RM400 million have progressed to a more advanced stage of negotiation, whilst others remain under evaluation and discussion with potential counterparties. The successful completion of these initiatives remains subject to various commercial, regulatory, shareholders and other conditions, including the execution of definitive transaction agreements, where applicable.

The successful implementation of these initiatives is expected to contribute significantly towards the Group's and the Company's liquidity requirements during the assessment period. Accordingly, there can be no assurance that these initiatives will be successfully concluded or completed within the anticipated timeframe. The timing, value and outcome of these initiatives remain subject to negotiations with potential counterparties, prevailing market conditions and other factors that are not wholly within the Group's control.

Cost optimisation initiatives

The Group continues to implement various cost optimisation and operational efficiency measures aimed at reducing operating cash outflows, improving resource utilisation and enhancing operating performance.

While management expects these initiatives to contribute positively to future cash flows, the extent and timing of the benefits to be achieved remain dependent upon the effectiveness and successful implementation of these initiatives.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Going concern (continued)

Rescheduling of RM33.5 million term loan repayment and extension of facility tenure

Included in the current loans and borrowings of the Group as at 30 June 2026 is a term loan amounting to RM33.5 million (31.12.2024: Nil), which was contractually repayable on 30 July 2026.

Subsequent to the reporting date, the Group obtained the lender's approval to reschedule the repayment of the outstanding principal amount of RM33.5 million and extend the facility tenure to 31 December 2027. Under the revised repayment terms, the outstanding principal amount will be settled in instalments up to 31 December 2027.

As the loan rescheduling arrangement was approved after the reporting date, the Group did not have the right as at 30 June 2026 to defer settlement of the loan for at least twelve months after the reporting date. Accordingly, the loan remains classified as a current liability as at 30 June 2026.

The loan rescheduling reduces the Group's near-term debt repayment obligations and provides additional time for the implementation of its planned asset disposals, rationalisation, monetisation and operational improvement initiatives. Nevertheless, the Group's and the Company's ability to meet their obligations as and when they fall due continues to depend on the successful execution of these initiatives.

Going concern assessment

As at the date of approval of these financial statements, neither the Group nor the Company has any undrawn committed banking facilities available to provide additional liquidity.

Although the Group remained in a net current assets position of RM54 million and both the Group and the Company maintained positive equity attributable to owners of the Company of RM782 million and RM1,079 million, respectively, as at 30 June 2026, a significant portion of these assets is not expected to be realised in cash within the timeframe required to satisfy forecast liquidity requirements and meet obligations as they fall due.

After taking into account the rescheduling of the RM33.5 million term loan and extension of the facility tenure to 31 December 2027, the Group’s and the Company’s ability to maintain adequate liquidity and meet their obligations as and when they fall due continues to depend upon:

- the successful implementation of the Group's proposed asset disposals, rationalisation and monetisation initiatives; and

- the achievement of the anticipated benefits arising from the Group’s cost optimisation and operational efficiency measures.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

Going concern (continued)

Going concern assessment (continued)

Accordingly, significant uncertainty remains as to whether these initiatives can be successfully implemented within the anticipated timeframe and at the anticipated values.

These events and conditions, together with the Group's and the Company's losses and net cash outflows from operating activities for the financial period, the Company's net current liabilities position, the absence of undrawn committed banking facilities and the continued dependence on the successful implementation of the plans and initiatives described above, indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as going concern.

Should the Group and the Company not be able to successfully implement the above plans and initiatives, their ability to realise assets and settle liabilities in the ordinary course of business may be adversely affected.

Nevertheless, after considering the rescheduling of the RM33.5 million term loan, the progress of the proposed asset disposals, rationalisation and monetisation initiatives, the cost optimisation and operational efficiency measures being implemented and other actions available to management, the Directors have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Accordingly, the financial statements have been prepared on a going concern basis.

Amendments to MFRS Accounting Standards

In the current financial period, the Group and the Company adopted all the amendments to MFRS Accounting Standards issued by the MASB that are effective for annual periods beginning on or after 1 January 2025 and relevant to its operations, as follows:

Amendments to MFRS 121	Lack of Exchangeability

The adoption of these amendments to MFRS Accounting Standards did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

New MFRS Accounting Standards and Amendments to MFRS Accounting Standards in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new MFRS Accounting Standards and amendments to MFRS Accounting Standards which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11[1]
Amendments to MFRS 9 and and MFRS 7	Contracts Referencing Nature-dependent Electricity[1]
MFRS 18	Presentation and Disclosure in Financial Statements[2]
MFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency[2]
Amendments to MFRS 19	Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures[2]
Amendments to MFRS 128	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures[2]
MFRS 20	Regulatory Assets and Regulatory Liabilities[3]
Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between an Investor and Its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2026.
2 Effective for annual periods beginning on or after 1 January 2027.
3 Effective for annual periods beginning on or after 1 January 2029.
4 Effective date deferred to a date to be determined and announced by MASB.

Except as otherwise indicated below, the above new MFRS Accounting Standards and amendments to MFRS Accounting Standards are not expected to have a material impact on the financial statements of the Group and of the Company in the period of initial application.

MFRS 18

The adoption of MFRS 18 might change certain presentation and disclosure in the financial statements. However, it will not impact the recognition or measurement of items in the financial statements.

3. MATERIAL ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in this summary of material accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 16 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value-in-use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiary companies). Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. MATERIAL ACCOUNTING POLICIES (continued)

Basis of Consolidation (continued)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with those used by other members of the Group.

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Where the Group loses control of a subsidiary company, a gain or loss is recognised and is calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary company (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable MFRSs). The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associated company or joint venture.

3. MATERIAL ACCOUNTING POLICIES (continued)

Business Combinations

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair values which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another MFRSs.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. MATERIAL ACCOUNTING POLICIES (continued)

Business Combinations (continued)

The subsequent accounting for changes in the fair value contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

Investment in Subsidiary Companies

Investment in subsidiary companies which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Investment in Associated Companies and Joint Venture

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associated companies and joint venture are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associated company or a joint venture is initially recognised in the statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associated company or joint venture. When the Group's share of losses of an associated company or a joint venture exceeds the Group's interest in that associated company or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associated company or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated company or joint venture.

3. MATERIAL ACCOUNTING POLICIES (continued)

Investment in Associated Companies and Joint Venture (continued)

An investment in an associated company or a joint venture is accounted for using the equity method from the date on which the investee becomes an associated company or a joint venture. On acquisition of the investment in an associated company or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associated company or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when investment ceases to be an associated company or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associated company or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9. The difference between the carrying amount of the associated company or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of the associated company or joint venture is included in the determination of the gain or loss on disposal of the associated company or joint venture.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associated company or joint venture on the same basis as would be required if that associated company or joint venture had directly disposed of the related assets and liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associated company or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associated company becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associated company. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associated company or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associated company or a joint venture of the Group, profit or losses resulting from the transactions with the associated company and joint venture are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associated company or joint venture that are not related to the Group.

3. MATERIAL ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract or implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange of transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which they will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling price of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or
- the Group's and the Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

3. MATERIAL ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

The revenue recognition policies of the Group and of the Company are as follows:

(i) Steel Division

Revenue from the sales of goods is recognised upon delivery of goods and the control of the goods has been transferred to the customers, net of discounts and returns.

(ii) Property Development Division

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

Revenue from sales of land under development and completed property units are recognised when the performance obligation in the contract with customer is satisfied (when the control of the land under development and completed property units has been transferred to the buyer).

(iii) Building Material Division

Revenue from the sales of building materials, steel products, lubricants, petroleum products, automotive products and consumer products is recognised upon delivery of goods and the control of the goods has been transferred to the customers, net of discounts and returns.

Sales of goods that result in award credits for customers, under the Group's customer loyalty programmes, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value - the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction - but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

(iv) Other Divisions

Revenue from sales of goods in the course of ordinary activities is recognised upon delivery of goods where the control of the goods has been passed to the customers, net of discounts and returns.

Revenue from services is recognised when the services are performed, net of service taxes and discounts.

Revenue from management fee is recognised upon performance of services are completed, net of taxes and discounts.

Revenue from the provision of electricity is recognised over time as electricity is supplied to customers. The Group recognises revenue based on the amount to which it has a right to invoice.

The Group applies the practical expedient in paragraph 121 (b) of MFRS 15 and accordingly does not disclose information regarding remaining performance obligations.

3. MATERIAL ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Revenue from Other Sources

(i) Dividend income

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

(ii) Interest income

Interest income is recognised on an accrual basis, by reference to the principal outstanding and at the effective interest rate.

(iii) Rental income

Rental income is recognised over the tenure of the rental period of properties.

Foreign Currency

(i) Functional and Presentation Currencies

The individual financial statements of each entity in the Group are presented in Ringgit Malaysia, United States Dollar, Chinese Renminbi or Singapore Dollar, the currency of the primary economic environment in which the entities operate (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity, are expressed in Ringgit Malaysia, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the Group's and the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Ringgit Malaysia using exchange rate prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation adjustment reserve account. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

3. MATERIAL ACCOUNTING POLICIES (continued)

Employee Benefits

(i) Short-term Employee Benefits

Wages, salaries, paid annual leaves, bonuses and non-monetary benefits are accrued in the period/year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

The Company, its subsidiary companies incorporated in Malaysia and their eligible employees are required by law to make monthly contributions to the Employees Provident Fund, a local statutory defined contribution plans, at certain prescribed rates based on the employees' salaries. The Group's foreign incorporated subsidiary companies and their eligible employees also make contributions to their respective countries' statutory pension scheme. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, there are no further payment obligations.

Income Tax

Income tax expense on profit or loss for the period/year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period/year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

Deferred tax is accounted for, using the "liability" method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realised, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax is charged or credited to profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

3. MATERIAL ACCOUNTING POLICIES (continued)

Income Tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The tax effects of the unused reinvestment allowances are recognised only upon actual realisation.

Impairment of Assets Excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of their non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Property, Plant and Equipment

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

Freehold land has unlimited useful life and therefore is not depreciated. Construction work-in-progress is not depreciated as this asset is also not available for use. All other property, plant and equipment are depreciated on a straight-line method at rates based on the estimated useful lives of the various assets.

The annual depreciation rates are as follows:

Freehold buildings	2% - 4%
Other buildings	2% - 18%
Plant, machinery and equipment	2% - 25%
Motor vehicles	8% - 25%
Furniture and office equipment	5% - 25%
Infrastructure	7%
Renovations	2% - 20%

The residual values, useful life and depreciation method are reviewed at each financial period/year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

3. MATERIAL ACCOUNTING POLICIES (continued)

Property, Plant and Equipment (continued)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, Plant and Equipment under Hire-Purchase Arrangement

Property, plant and equipment acquired under hire-purchase arrangement are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase obligations.

Prepaid Land Lease Payments

Leasehold land that has an indefinite economic life and title that is not expected to pass to the Group by the end of the lease period is classified as right-of-use assets. The up-front payments for right to use the leasehold land over a predetermined period are accounted for as right-of-use assets under MFRS 16 and are subsequently measured at cost less accumulated amortisation and impairment losses.

Prepaid land lease payments are amortised over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the prepaid land lease reflects that the Group expects to exercise a purchase option, the related prepaid land lease payments are amortised over the useful life of the underlying asset. The amortisation starts at the commencement date of the lease.

Capitalisation of Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. MATERIAL ACCOUNTING POLICIES (continued)

Investment Properties

Investment properties, comprising certain freehold and leasehold land and buildings and economic land concession (work-in-progress), are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost, less accumulated depreciation and any impairment losses.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statements of financial position). The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Freehold land and economic land concession within investment properties are not depreciated. Leasehold land is depreciated over the shorter period of the lease term and the useful life of the land at an annual rate of 2%.

Buildings are depreciated on the straight-line method at an annual rate of 2%.

Leases

As Lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- the amount expected to be payable by the lessee under residual value guarantees; and
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options.

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases (contnued)

As Lessee (continued)

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability by using the effective interest method and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability and make a corresponding adjustment to the related right-of-use asset whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate, unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The lease term and the estimated remaining useful lives of the right-of-use assets are as follows:

Leasehold land and buildings	1 - 5 years (31.12.2024: 2 - 6 years)
Plant and equipment	0 - 2 years (31.12.2024: 1 - 3 years)

The right-of-use assets are presented as a separate line in the statements of financial position. The Group has recognised right-of-use assets in relation to the rental of leasehold land, buildings, premises, plant and equipment, which had previously been classified as operating leases.

The Group and the Company apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

As Lessor

Lessors classify all leases as either operating leases or finance leases and account for them differently. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group and the Company are an intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's and of the Company's net investment in the leases. Finance lease income is allocated to financial periods so as to reflect a constant periodic rate of return on the Group's and the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration under the contract to each component.

Property, Plant and Equipment under Finance Leases

Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included at the end of the reporting period as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

3. MATERIAL ACCOUNTING POLICIES (continued)

Land Held for Property Development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

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

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities are expected to be completed within the Group's normal operating cycle.

Goodwill on Consolidation

Goodwill on consolidation represents the excess of the cost of acquisition of subsidiary companies over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

3. MATERIAL ACCOUNTING POLICIES (continued)

Property Development Cost

Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Contract Costs

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the assets relate. An impairment loss is recognised in profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

The Group applies the practical expedient in paragraph 94 of MFRS 15 and recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

Inventories

Trading merchandise, finished goods, raw materials and other products are valued at the lower of cost and net realisable value. Cost is determined principally on the ‘weighted average’ method. The costs of raw materials comprise the original purchase price plus the incidental cost incurred in bringing the inventories to their present locations and conditions. The cost of finished goods comprise the cost of raw materials, direct labour, direct charges and an appropriate proportion of production overheads.

Completed property units for sale are valued at the lower of cost and net realisable value. Cost is determined using the ‘specific identification’ method.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

In arriving at net realisable value, due allowance is made for damaged, obsolete or slow moving inventories.

3. MATERIAL ACCOUNTING POLICIES (continued)

Non-Current Assets Classified As Held For Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition and the sale is highly probable, where management is committed to the sale which is expected to complete within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Provisions

Provisions are recognised when the Group or the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the Directors' best estimate of the amount required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

At the end of each reporting period, provisions are reviewed by the Directors and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligations.

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed by the chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Contract Assets and Contract Liabilities

A contract assets is the right to consideration for goods or services transferred to the customers. Contract assets is the excess of cumulative revenue recognised in profit or loss over the cumulative billings to customers.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received from the customers.

Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Guarantee Contracts

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

Financial guarantee contract liabilities are initially measured at fair values. Subsequently, they are measured at higher of:

- the amount of the loss allowance determined in accordance with MFRS 9; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15.

Financial Instruments

Financial assets

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

A financial asset (unless it is a trade receivable without significant financing component) is initially measured at fair value plus transaction cost that are directly attributable to its acquisition or issuance. A trade receivable without significant financing component is initially measured at the transaction price.

The Group determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income.

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as hedging instrument.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets (continued)

(b) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model with the objective to hold assets to collect contractual cash flows and its contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principle amount outstanding.

Subsequent to initial recognition, financial assets at amortised cost are measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial asset at amortised cost are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

Interest income is recognised by applying effective interest rate to the gross carrying amount, where applicable, except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(c) Financial assets at fair value through other comprehensive income ("FVTOCI")

(i) Debt Investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) Equity Investments

This category comprises investment in equity (other than in subsidiary companies, associated companies and joint venture) which are not held for trading, and the Group irrevocably elects to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulate in other comprehensive income are not reclassified to profit or loss.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial assets (continued)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Impairment of financial assets

The Group recognises loss allowance for expected credit losses on financial assets measured at amortised cost, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts.

The Group measures loss allowance at an amount equal to lifetime expected credit loss except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers past loss experience and observable data such as current changes and future forecast in economic changes to estimate the amount of expected impairment loss. The methodology assumptions including any forecast of future economic conditions are reviewed regularly. An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At the end of each reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The gross carrying amount of a financial asset is written off (either partially of full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery amounts due.

For other receivables, the Group and the Company measure loss allowance at an amount equal to 12-month expected credit loss if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Impairment of financial assets (continued)

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The measurement of financial liabilities depends on their classification.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

The Group's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

Statements of Cash Flows

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

Cash and cash equivalents which comprise deposits, cash and bank balances, and bank overdrafts are short-term, highly liquid investments that are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

In the process of applying the Group's and the Company's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements except for the following:

(a) Impairment of Receivables

Assessment of impairment for receivables is made based on the evaluation of collectability and ageing analysis of accounts and on management's estimate of, amongst others, the quantum and timing of cash flows. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the judgement about the creditworthiness of the debtors and the past collection history of each customer. If the financial conditions of the customers were to deteriorate such that the ability of the customers to make repayments is affected, additional allowance for impairment loss may be required.

As at 30 June 2026, the Group has trade and other receivables due from two (31.12.2024: two) major related parties namely, Lion DRI Sdn Bhd ("Lion DRI") and Graimpi Sdn Bhd (In liquidation) ("Graimpi"). Both of these companies are wholly-owned subsidiaries of Lion Diversified Holdings Berhad (In liquidation), a company in which Tan Sri Cheng Heng Jem has substantial interest.

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Trade receivables - Lion DRI (Note 24(a))	**113,402**	113,402
Other receivables - Lion DRI and Graimpi (Note 24(b))	**111,215**	111,215
	224,617	224,617
Less: Accumulated impairment losses	**(224,617)**	(224,617)
	-	-

In view that Lion DRI ceased operations in previous financial years and the ability to generate adequate cash flows for repaying its debts to the Group is uncertain and Graimpi being in liquidation, the Directors are of the opinion that full impairment losses need to be recognised for these outstanding amounts.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

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

(b) Impairment of Investment Properties

The Group has investment properties which comprise mainly freehold land, leasehold land and economic land concessions ("ELC") in Cambodia of RM103,511,000 (31.12.2024: RM114,552,000). Significant judgement is exercised in determining the manner in which the recovery of the said investment properties could be made and the amounts that could be realised. The amount expected to be recovered for the said investment properties was determined based on the fair value less cost to sell, by references to the latest valuation carried out by an independent firm of professional valuers.

(c) Going concern assessment

In assessing whether the going concern basis of preparation remains appropriate, the Directors exercised significant judgement in evaluating the Group's and the Company's future liquidity requirements, the expected timing and outcome of the proposed asset disposal, rationalisation and monetisation initiatives, the anticipated benefits arising from cost optimisation and operational efficiency measures and the impact of the rescheduling of the RM33.5 million term loan.

The assessment requires consideration of future events and circumstances, some of which are subject to factors that are not wholly within the Group's control. Further details relating to the going concern assessment and the related material uncertainty are disclosed in Note 2.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for the following:

(a) Impairment of Non-Current Assets

Determining whether assets are impaired requires an estimation of the recoverable amounts of the assets. As at 30 June 2026, the Group and the Company recognised accumulated impairment losses in respect of the following:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Right-of-use assets (Note 15)	**21,039**	21,166	**-**	-
Investment in subsidiary companies (Note 17)	**-**	-	**336,860**	336,800
Investment in associated companies (Note 18)	**12,655**	12,655	**-**	15,323
Long-term investments (Note 20)	**67,323**	67,641	**-**	-

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(ii) Key sources of estimation uncertainty (continued)

(a) Impairment of Non-Current Assets (continued)

Management exercises its judgement in estimating the recoverable amounts of these assets.

When there is an indication that the carrying amount of an asset may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value-in-use ("VIU"), will be assessed. The assessment of the recoverable amounts involves a number of methodologies.

In determining the VIU of an asset, being the future economic benefits to be expected from its continued use and ultimate disposal, the Group and the Company make estimates and assumptions that require significant judgements. While the Group and the Company believe these estimates and assumptions of VIU could be reasonable and appropriate, changes on these estimates and assumptions of VIU could impact the Group's and the Company's financial position and performance.

(b) Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the VIU of the cash-generating units to which goodwill has been allocated. The VIU calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value of those cash flows. Consequently, the goodwill associated with the Group's steel operations, totalling RM130,443,000, was fully impaired in the previous year, given that the recoverable amount was lower than its carrying amount. Details of the cash-generating unit calculation are disclosed in Note 22.

(c) Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits. The total carrying value of deferred tax assets recognised by the Group amounted to RM10,275,000 (31.12.2024: RM10,153,000).

(d) Depreciation of Property, Plant and Equipment

The cost of property, plant and equipment except for freehold land and construction work-in-progress, is depreciated on a straight-line basis over the assets' useful lives. The Group reviews the remaining useful lives of property, plant and equipment at the end of each reporting period and ensures the patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives of property, plant and equipment may result in revision of future depreciation charges.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(ii) Key sources of estimation uncertainty (continued)

(e) Impairment of Property, Plant and Equipment

During the current financial period, the Directors have made impairment assessments on the steel making plants of two subsidiary companies located in Banting (“Banting Plants”) and in Klang ("Klang Plants"). Banting Plants have temporarily stopped production, while the Klang Plants are in operation. The two subsidiary companies have incurred losses for the period/year. The recoverable amounts of the Banting Plants and Klang Plants, which consist of land, buildings, plant and machinery, are determined based on fair value less cost to sell, by a reference to the latest valuation carried out by an independent firm of professional valuers in October 2026 (31.12.2024: February 2025). The basis of fair value less cost to sell for the said assets is determined as follows:

(i) Land - Comparison Method (Level 3), being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, market condition, size, shape and terrain of land, tenurial interest and restriction if any, availability of infrastructure, vacant possession and developmental approval and other relevant characteristics.

(ii) Building, plant and machinery - Depreciated Replacement Cost Method (Level 3), where the asset value is taken to be equal to the cost of replacing the asset in its existing condition. This is determined by taking the current replacement cost of the asset as new and allowing for depreciation of physical, functional and economic obsolescence.

The Directors believe that the chosen valuation method is appropriate in determining the recoverable amounts of these plants.

The Directors are of the opinion that the carrying amounts of the Banting Plants and Klang Plants of RM621,474,000 and RM17,909,000 (31.12.2024: RM640,378,000 and RM33,270,000) respectively, net of accumulated impairment losses of RM184,440,000 and RM17,279,000 (31.12.2024: RM183,173,000 and RM13,877,000) respectively are recoverable.

(f) Provision for expected credit losses ("ECL") of trade receivables

The Group uses simplified approach in calculating loss allowances for trade receivables by applying an ECL rate. Significant estimate is required in determining the impairment of trade receivables. Impairment loss measured based on ECL model is based on assumptions on risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group’s past collection records, existing market conditions as well as forward looking estimates as of the end of the reporting period.

5. REVENUE

An analysis of revenue is as follows:

	The Group		The Company	
	1.1.2025 to 30.6.2026	1.1.2024 to 31.12.2024	**1.1.2025 to 30.6.2026**	1.1.2024 to 31.12.2024
	RM'000	RM'000	**RM'000**	RM'000
Revenue from contracts with customers:				
Sales of goods	**1,697,834**	1,593,505	**-**	-
Sales of land	**452**	46,471	**452**	-
Sales of development properties (Note 24(d))	**5,567**	4,432	**-**	-
Sales of electricity	**2,006**	-	**2,382**	-
Services rendered	**21,006**	17,084	**-**	-
	1,726,865	1,661,492	**2,834**	-
Revenue from other source:				
Interest income	**21**	38	**-**	-
	1,726,886	1,661,530	**2,834**	-
Timing of revenue recognition:				
At a point in time	**1,707,713**	1,640,100	**452**	-
Over time	**19,152**	21,392	**2,382**	-
Revenue from contracts with customers	**1,726,865**	1,661,492	**2,834**	-
Other revenue	**21**	38	**-**	-
	1,726,886	1,661,530	**2,834**	-

The transactions price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) are as follows:

	The Group		The Company	
	1.1.2025 to 30.6.2026	1.1.2024 to 31.12.2024	**1.1.2025 to 30.6.2026**	1.1.2024 to 31.12.2024
	RM'000	RM'000	**RM'000**	RM'000
Property development activities:				
- within 1 year	**1,237**	6,804	**-**	-

6. (LOSS)/PROFIT FROM OPERATIONS

(Loss)/Profit from operations is arrived at after crediting/(charging) the following income/(expenses):

	The Group		The Company	
	1.1.2025 to 30.6.2026 RM'000	**1.1.2024 to 31.12.2024 RM'000**	**1.1.2025 to 30.6.2026 RM'000**	**1.1.2024 to 31.12.2024 RM'000**
Property, plant and equipment written off (Note 12)	**(4)**	(693)	**-**	-
Allowance for obsolescence inventories (Note 23)	**(149)**	(35,174)	**-**	-
(Loss)/Gain on disposal of:				
- property, plant and equipment	**(13,440)**	976	**-**	-
- investment properties	**216**	-	**-**	-
- non-current assets classified as held for sale	**33,395**	-	**-**	-
Fees paid/payable to external auditors:				
Statutory audit:				
Auditors of the Company:				
- current period/year	**(1,521)**	(1,004)	**(275)**	(130)
- prior year	**(5)**	(21)	**-**	-
Other auditors:				
- current period/year	**(1,087)**	(75)	**(1,004)**	-
- prior year	**(2)**	-	**-**	-
Non-audit services:				
Auditors of the Company	**(16)**	(16)	**(8)**	(8)
Bad debts recovered/(written off)	**972**	36	**(5)**	(6)
Rental income	**5,030**	4,420	**3**	26
Gain/(Loss) on foreign exchange (net):				
- Realised	**1,922**	3,253	**-**	(118)
- Unrealised	**(86)**	(3,235)	**-**	-
Gain on dissolution of an associated company	**224**	-	**224**	-
Interest income from Housing Development Accounts	**-**	94	**-**	-

Analysis of staff costs is as follows:

	The Group		The Company	
	1.1.2025 to 30.6.2026 RM'000	**1.1.2024 to 31.12.2024 RM'000**	**1.1.2025 to 30.6.2026 RM'000**	**1.1.2024 to 31.12.2024 RM'000**
Salaries and other emoluments	**139,598**	106,086	**1,031**	954
Defined contribution plans	**12,353**	11,663	**30**	22
	151,951	117,749	**1,061**	976

6. (LOSS)/PROFIT FROM OPERATIONS (continued)

Included in staff costs are the remuneration of members of key management, other than the Directors of the Group and of the Company as disclosed in Note 7, as follows:

	The Group	
	1.1.2025 to 30.6.2026	**1.1.2024 to 31.12.2024**
	RM'000	**RM'000**
Salaries and other emoluments	**3,326**	2,233
Defined contribution plans	**199**	180
	3,525	2,413

Included in other emoluments is the estimated monetary value of benefits-in-kind received and receivable by the key management personnel, other than the Directors of the Group and of the Company as disclosed in Note 7, otherwise than in cash from the Group amounted to RM46,000 (1.1.2024 to 31.12.2024: RM33,000).

7. DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company classified into executive and non-executive Directors are as follows:

	The Group		The Company	
	1.1.2025 to 30.6.2026	**1.1.2024 to 31.12.2024**	**1.1.2025 to 30.6.2026**	**1.1.2024 to 31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive Director*:				
- Fee	**108**	60	**70**	35
- Salaries and other emoluments	**3,861**	2,584	**1,446**	965
	3,969	2,644	**1,516**	1,000
Non-executive Directors:				
- Fees	**387**	286	**357**	266
- Salaries and other emoluments	**258**	184	**53**	47
- Defined contribution plans	**20**	12	**-**	-
	665	482	**410**	313
Total	**4,634**	3,126	**1,926**	1,313

* Appointed as the Chairman of the Company on 27 November 2025.

Included in other emoluments is the estimated monetary value of benefits-in-kind received and receivable by the Directors, otherwise than in cash, from the Group and the Company, amounting to RM280,000 and RM Nil, respectively (1.1.2024 to 31.12.2024: RM203,000 and RM Nil respectively).

8. INVESTMENT INCOME

	The Group		The Company	
	1.1.2025 to 30.6.2026 RM'000	**1.1.2024 to 31.12.2024 RM'000**	**1.1.2025 to 30.6.2026 RM'000**	**1.1.2024 to 31.12.2024 RM'000**
Interest income from:				
- Fixed deposits	**2,906**	1,547	**190**	108
- Others	**4,828**	2,879	**93**	16
	7,734	4,426	**283**	124
Dividend income from investment in money market funds	**127**	87	**-**	-
	7,861	4,513	**283**	124

9. FINANCE COSTS

	The Group		The Company	
	1.1.2025 to 30.6.2026 RM'000	**1.1.2024 to 31.12.2024 RM'000**	**1.1.2025 to 30.6.2026 RM'000**	**1.1.2024 to 31.12.2024 RM'000**
Interest expenses on:				
- Term loans	**10,539**	2,912	**483**	372
- Security deposits received from customer (Note 33(b))	**3,643**	2,029	**-**	-
- Deposits received from non-current assets classified as held for sale (Note 33(b))	**6,692**	4,461	**-**	-
- Bills payable, banker's acceptance and revolving credit	**7,240**	5,356	**-**	-
- Bank overdrafts	**1**	444	**1**	291
- Obligations under hire purchase and lease arrangements	**33**	20	**-**	-
- Lease liabilities (Note 32)	**12,823**	4,256	**135**	-
- Late payment charged by trade payables	**12,513**	5,061	**-**	-
- Others	**265**	827	**-**	1
	53,749	25,366	**619**	664

10. TAX EXPENSE

Tax expense for the Group and the Company consists of:

	The Group		The Company	
	1.1.2025 to 30.6.2026 RM'000	1.1.2024 to 31.12.2024 RM'000	1.1.2025 to 30.6.2026 RM'000	1.1.2024 to 31.12.2024 RM'000
Estimated tax payable:				
- Current period/year	**(7,638)**	(5,496)	**-**	-
- (Under)/Over provision in prior years	**(365)**	622	**-**	-
	(8,003)	(4,874)	**-**	-
Deferred tax (Note 21):				
- Current period/year	**1,342**	255	**-**	-
- (Under)/Over provision in prior years	**(1,312)**	4,347	**-**	-
	30	4,602	**-**	-
Total tax expense	**(7,973)**	(272)	**-**	-

The tax expense varied from the amount of tax expense determined by applying the applicable income tax rate to (loss)/profit before tax as a result of the following differences:

	The Group		The Company	
	1.1.2025 to 30.6.2026 RM'000	1.1.2024 to 31.12.2024 RM'000	1.1.2025 to 30.6.2026 RM'000	1.1.2024 to 31.12.2024 RM'000
(Loss)/Profit before tax	**(203,106)**	(84,633)	**(116,588)**	20,626
Tax credit/(expense) at statutory tax rate of 24% (31.12.2024: 24%)	**48,745**	20,312	**27,981**	(4,950)
Tax effects of:				
- Non-taxable income	**10,334**	59,505	**1,588**	6,091
- Non-deductible expenses	**(22,191)**	(36,674)	**(29,666)**	(1,152)
Tax effect on share of results of associated companies and joint venture	**(3,986)**	(5,736)	**-**	-
Deferred tax assets not recognised	**(39,298)**	(44,158)	**-**	-
Utilisation of deferred tax assets not recognised previously	**100**	1,510	**97**	11
(Under)/Over provision in prior years:				
- Income tax	**(365)**	622	**-**	-
- Deferred tax	**(1,312)**	4,347	**-**	-
	(7,973)	(272)	**-**	-

10. TAX EXPENSE (continued)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As at 30 June 2026, the estimated amount of temporary differences, unused tax losses, unabsorbed capital allowances and unused reinvestment allowances, for which the tax effects are not recognised in the financial statements due to uncertainty of their realisation, are as follows:

	The Group		The Company	
	1.1.2025 to 30.6.2026	1.1.2024 to 31.12.2024	**1.1.2025 to 30.6.2026**	1.1.2024 to 31.12.2024
	RM'000	RM'000	**RM'000**	RM'000
Temporary differences arising from:				
- Property, plant and equipment	**9,289**	9,644	**-**	-
- Trade and other receivables	**45,362**	23,588	**-**	-
- Others	**51,202**	49,503	**-**	-
Unused tax losses and unabsorbed capital allowances	**2,011,187**	1,870,980	**14,798**	15,203
Unused reinvestment allowances	**61,379**	61,379	**-**	-
	2,178,419	2,015,094	**14,798**	15,203

The availability of the unused tax losses, unabsorbed capital allowances and unused reinvestment allowances for offsetting future taxable profits of the Company and of the subsidiary companies are subject to the agreement with the tax authority.

In accordance with the provision of the Finance Act 2021, the time period of carrying forward unused tax losses is ten years, for which, any excess at the end of the tenth year, will be disregarded.

The expiry of the unused tax losses is as follows:

	The Group		The Company	
	1.1.2025 to 30.6.2026	1.1.2024 to 31.12.2024	**1.1.2025 to 30.6.2026**	1.1.2024 to 31.12.2024
	RM'000	RM'000	**RM'000**	RM'000
Unused tax losses:				
Expire by 31 December 2028	**699,793**	702,458	**12,175**	12,175
Expire by 31 December 2029	**107,452**	107,452	**-**	-
Expire by 31 December 2030	**252,960**	252,960	**-**	-
Expire by 31 December 2031	**22,333**	22,333	**-**	-
Expire by 31 December 2032	**232,586**	232,586	**-**	-
Expire by 31 December 2033	**136,984**	136,648	**-**	-
Expire by 31 December 2034	**155,121**	102,800	**-**	-
Expire by 31 December 2035	**163,786**	-	**-**	-
	1,771,015	1,557,237	**12,175**	12,175

The Finance (No.2) Act 2023 gazetted on 29 December 2023, introduces the global minimum tax legislation in accordance with the GloBE Rules effective from 1 January 2025. The Company is not within the scope of the global minimum tax legislation. The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income tax.

11. LOSS PER SHARE

(a) Basic

Basic loss per share of the Group is calculated by dividing loss for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period/year as follows:

	The Group	
	1.1.2025 to 30.6.2026	**1.1.2024 to 31.12.2024**
Loss attributable to owners of the Company (RM'000)	**(204,759)**	(87,655)
Weighted average number of ordinary shares in issue ('000)	**680,805**	680,804
Loss per share (sen)	**(30.08)**	(12.88)

(b) Diluted

The calculation of diluted loss per share was based on loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The diluted loss per ordinary share was not applicable as the unexercised warrants were anti-dilutive in nature, this was due to the average market share price of the Company being below the exercise price of the warrants. The remaining 340,398,811 unexercised warrants expired on 12 December 2025 (Note 29).

12. PROPERTY, PLANT AND EQUIPMENT

The Group

	COST						
	As at 1 January 2025 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	Reclassification RM'000	Exchange difference RM'000	As at 30 June 2026 RM'000
Freehold land	283,910	508	-	-	-	-	284,418
Freehold buildings	364,567	-	(179)	-	-	-	364,388
Plant, machinery and equipment	1,529,612	10,425	(383,215)	(1,273)	24	(794)	1,154,779
Motor vehicles	12,356	433	(159)	-	-	(49)	12,581
Furniture and office equipment	48,627	958	(425)	(308)	-	(4)	48,848
Infrastructure	115,664	1,576	-	-	-	-	117,240
Renovations	1,886	86	-	-	-	-	1,972
Construction work-in-progress	170,613	8,626	(644)	(306)	(24)	-	178,265
Total	2,527,235	22,612	(384,622)	(1,887)	-	(847)	2,162,491

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

	ACCUMULATED DEPRECIATION						
	As at 1 January 2025 RM'000	Charge for the period RM'000	Disposals RM'000	Write-offs RM'000	Reclassification RM'000	Exchange difference RM'000	As at 30 June 2026 RM'000
Freehold land	-	-	-	-	-	-	-
Freehold buildings	259,354	9,660	-	-	-	-	269,014
Plant, machinery and equipment	1,099,484	44,226	(343,759)	(1,010)	4	(793)	798,152
Motor vehicles	10,243	479	(159)	-	-	(48)	10,515
Furniture and office equipment	40,795	3,171	(316)	(303)	(4)	(4)	43,339
Infrastructure	50,951	1,211	-	-	-	-	52,162
Renovations	1,640	108	-	-	-	-	1,748
Construction work-in-progress	-	-	-	-	-	-	-
Total	1,462,467	58,855	(344,234)	(1,313)	-	(845)	1,174,930

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

	ACCUMULATED IMPAIRMENT LOSSES					CARRYING AMOUNT
	As at 1 January 2025 RM'000	Charge for the period RM'000	Disposals RM'000	Write-offs RM'000	As at 30 June 2026 RM'000	As at 30 June 2026 RM'000
Freehold land	-	-	-	-	-	284,418
Freehold buildings	27,454	-	-	-	27,454	67,920
Plant, machinery and equipment	70,451	4,669	(5,998)	(264)	68,858	287,769
Motor vehicles	-	-	-	-	-	2,066
Furniture and office equipment	-	-	-	-	-	5,509
Infrastructure	57,120	-	-	-	57,120	7,958
Renovations	-	-	-	-	-	224
Construction work-in-progress	115,953	-	(457)	(306)	115,190	63,075
Total	270,978	4,669	(6,455)	(570)	268,622	718,939

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

	COST						
	As at 1 January 2024 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	Reclassification RM'000	Exchange difference RM'000	As at 31 December 2024 RM'000
Freehold land	283,910	-	-	-	-	-	283,910
Freehold buildings	384,228	-	-	-	(19,661)	-	364,567
Buildings under long lease	48,058	120	(67,839)	-	19,661	-	-
Buildings under short lease	466	-	(466)	-	-	-	-
Plant, machinery and equipment	1,534,416	1,966	(10,374)	(2,623)	6,463	(236)	1,529,612
Motor vehicles	13,661	9	(1,078)	(222)	-	(14)	12,356
Furniture and office equipment	50,141	762	(453)	(1,822)	-	(1)	48,627
Infrastructure	114,596	1,068	-	-	-	-	115,664
Renovations	1,874	12	-	-	-	-	1,886
Construction work-in-progress	173,361	4,396	-	(681)	(6,463)	-	170,613
Total	2,604,711	8,333	(80,210)	(5,348)	-	(251)	2,527,235

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

	ACCUMULATED DEPRECIATION						
	As at 1 January 2024 RM'000	Charge for the year RM'000	Disposals RM'000	Write-offs RM'000	Reclassification RM'000	Exchange difference RM'000	As at 31 December 2024 RM'000
Freehold land	-	-	-	-	-	-	-
Freehold buildings	276,013	6,575	-	-	(23,234)	-	259,354
Buildings under long lease	41,065	73	(64,372)	-	23,234	-	-
Buildings under short lease	466	-	(466)	-	-	-	-
Plant, machinery and equipment	1,073,353	33,549	(4,834)	(2,352)	-	(232)	1,099,484
Motor vehicles	11,232	325	(1,078)	(222)	-	(14)	10,243
Furniture and office equipment	40,746	2,261	(401)	(1,810)	-	(1)	40,795
Infrastructure	50,397	554	-	-	-	-	50,951
Renovations	1,572	68	-	-	-	-	1,640
Construction work-in-progress	-	-	-	-	-	-	-
Total	1,494,844	43,405	(71,151)	(4,384)	-	(247)	1,462,467

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

	ACCUMULATED IMPAIRMENT LOSSES						CARRYING AMOUNT
	As at 1 January 2024 RM'000	Charge for the year RM'000	Disposals RM'000	Write-offs RM'000	Reversal RM'000	As at 31 December 2024 RM'000	As at 31 December 2024 RM'000
Freehold land	-	-	-	-	-	-	283,910
Freehold buildings	27,454	-	-	-	-	27,454	77,759
Buildings under long lease	3,467	-	(3,467)	-	-	-	-
Buildings under short lease	-	-	-	-	-	-	-
Plant, machinery and equipment	56,995	16,661	(2,297)	(271)	(637)	70,451	359,677
Motor vehicles	-	-	-	-	-	-	2,113
Furniture and office equipment	28	-	-	-	(28)	-	7,832
Infrastructure	57,120	-	-	-	-	57,120	7,593
Renovations	-	-	-	-	-	-	246
Construction work-in-progress	114,057	1,896	-	-	-	115,953	54,660
Total	259,121	18,557	(5,764)	(271)	(665)	270,978	793,790

12. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company	**COST**				
	As at 1 January 2025 RM'000	**Addition RM'000**	**Disposal RM'000**	**Write-off RM'000**	**As at 30 June 2026 RM'000**
Motor vehicles	**75**	**-**	**-**	**-**	**75**
Furniture and office equipment	**5,023**	**-**	**(25)**	**(2)**	**4,996**
Renovations	**1,007**	**-**	**-**	**-**	**1,007**
Total	**6,105**	**-**	**(25)**	**(2)**	**6,078**

	ACCUMULATED DEPRECIATION					**CARRYING AMOUNT**
	As at 1 January 2025 RM'000	**Charge for the period RM'000**	**Disposal RM'000**	**Write-off RM'000**	**As at 30 June 2026 RM'000**	**As at 30 June 2026 RM'000**
Motor vehicles	**73**	**-**	**-**	**-**	**73**	**2**
Furniture and office equipment	**5,008**	**14**	**(25)**	**(2)**	**4,995**	**1**
Renovations	**1,007**	**-**	**-**	**-**	**1,007**	**-**
Total	**6,088**	**14**	**(25)**	**(2)**	**6,075**	**3**

	COST				
	As at 1 January 2024 RM'000	**Addition RM'000**	**Disposal RM'000**	**Write-off RM'000**	**As at 31 December 2024 RM'000**
Motor vehicles	75	-	-	-	75
Furniture and office equipment	5,043	2	(22)	-	5,023
Renovations	1,007	-	-	-	1,007
Total	6,125	2	(22)	-	6,105

	ACCUMULATED DEPRECIATION					**CARRYING AMOUNT**
	As at 1 January 2024 RM'000	**Charge for the year RM'000**	**Disposal RM'000**	**Write-off RM'000**	**As at 31 December 2024 RM'000**	**As at 31 December 2024 RM'000**
Motor vehicles	73	-	-	-	73	2
Furniture and office equipment	4,980	50	(22)	-	5,008	15
Renovations	1,007	-	-	-	1,007	-
Total	6,060	50	(22)	-	6,088	17

12. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Included in property, plant and equipment of the Group are assets acquired under lease and hire-purchase arrangements with carrying amount of RM266,000 (31.12.2024: RM402,000).

(b) The deferred payables of the Group (Note 34) are secured by the property, plant and equipment of certain subsidiary companies with carrying amount totalling RM495,132,000 (31.12.2024: RM555,306,000).

13. INVESTMENT PROPERTIES

The Group

	Freehold land RM'000	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Work-in progress RM'000	Total RM'000
Cost:					
As at 1 January 2024	54,654	462	23,209	41,595	119,920
Exchange differences	(1,439)	-	(599)	(1,095)	(3,133)
As at 31 December 2024/ 1 January 2025	**53,215**	**462**	**22,610**	**40,500**	**116,787**
Disposal	**-**	**-**	**(142)**	**-**	**(142)**
Exchange differences	**(4,849)**	**-**	**(2,020)**	**(3,690)**	**(10,559)**
As at 30 June 2026	**48,366**	**462**	**20,448**	**36,810**	**106,086**
Accumulated depreciation:					
As at 1 January 2024	-	230	1,126	-	1,356
Charge for the year	-	9	452	-	461
Exchange differences	-	-	(24)	-	(24)
As at 31 December 2024/ 1 January 2025	**-**	**239**	**1,554**	**-**	**1,793**
Charge for the period	**-**	**13**	**616**	**-**	**629**
Disposal	**-**	**-**	**(78)**	**-**	**(78)**
Exchange differences	**-**	**-**	**(121)**	**-**	**(121)**
As at 30 June 2026	**-**	**252**	**1,971**	**-**	**2,223**
Carrying amount:					
As at 31 December 2024	53,215	223	21,056	40,500	114,994
As at 30 June 2026	**48,366**	**210**	**18,477**	**36,810**	**103,863**
Fair value:					
As at 31 December 2024	76,067	410	37,724	Note	
As at 30 June 2026	**66,289**	**410**	**34,633**	**Note**	

13. INVESTMENT PROPERTIES (continued)

Note:
Work-in-progress comprises mainly economic land concessions ("ELC") in Cambodia. The lease agreements for the ELC which determine the lease period of the land, which management is pursuing, have yet to be obtained. The fair values of the ELC are not reasonably determinable until the ELC are converted into leasehold land. Based on the market evidence of transaction prices for leasehold land by the independent firm of professional valuers on 1 October 2026 (31.12.2024: 20 March 2025), the Directors have concluded there is no impairment for the ELC.

The rental income earned by the Group from its investment properties amounted to RM1,023,000 (1.1.2024 to 31.12.2024: RM1,092,000). Direct operating expenses pertaining to the investment properties of the Group that generated rental income during the financial period amounted to RM37,000 (1.1.2024 to 31.12.2024: RM5,000).

Direct operating expenses incurred by the Group for investment properties that did not generate any rental income during the financial period amounted to RM42,000 (1.1.2024 to 31.12.2024: RM5,000).

The fair value of investment properties were determined based on the valuations performed by accredited independent firms of professional valuers. The valuations conform to International Valuation Standards. The fair value measurement for all the investment properties has been categorised as Level 3 fair value based on the market comparable approach that reflects recent transaction prices for similar properties. The key inputs under this approach are the price per square metre from the most recent sales of comparable properties in the area (location and size). In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the financial period.

14. PREPAID LAND LEASE PAYMENTS

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Cost:		
At beginning of period/year	**-**	73,134
Disposal (Note 41(2)(a) and (2)(b)(i))	**-**	(65,306)
Reclassified to non-current assets classified as held for sale (Note 27)	**-**	(7,828)
At end of period/year	**-**	-
Accumulated amortisation:		
At beginning of period/year	**-**	36,189
Amortisation for the period/year	**-**	744
Disposal (Note 41(2)(a) and (2)(b)(i))	**-**	(34,510)
Reclassified to non-current assets classified as held for sale (Note 27)	**-**	(2,423)
At end of period/year	**-**	-
Carrying amount	**-**	-

15. RIGHT-OF-USE ASSETS

The Group

	Leasehold land and buildings RM'000	Plant and equipment RM'000	Total RM'000
Cost:			
As at 1 January 2024	34,563	23,829	58,392
Additions	34,348	-	34,348
Expiry and termination of lease	(1,320)	(23,829)	(25,149)
As at 31 December 2024 / 1 January 2025	**67,591**	**-**	**67,591**
Additions	**633**	**-**	**633**
Expiry and termination of lease	**(1,984)**	**-**	**(1,984)**
Lease modification	**2,678**	**-**	**2,678**
As at 30 June 2026	**68,918**	**-**	**68,918**
Accumulated depreciation:			
As at 1 January 2024	18,692	10,318	29,010
Charge for the year	8,008	80	8,088
Expiry and termination of lease	(1,320)	(10,398)	(11,718)
As at 31 December 2024 / 1 January 2025	**25,380**	**-**	**25,380**
Charge for the period	**8,255**	**-**	**8,255**
Expiry and termination of lease	**(1,944)**	**-**	**(1,944)**
As at 30 June 2026	**31,691**	**-**	**31,691**
Accumulated impairment losses:			
As at 1 January 2024	-	-	-
Charge for the year	21,166	-	21,166
As at 31 December 2024 / 1 January 2025	**21,166**	**-**	**21,166**
Reversal	**(87)**	**-**	**(87)**
Expiry and termination of lease	**(40)**	**-**	**(40)**
As at 30 June 2026	**21,039**	**-**	**21,039**
Carrying amount:			
As at 31 December 2024	21,045	-	21,045
As at 30 June 2026	**16,188**	**-**	**16,188**

15. RIGHT-OF-USE ASSETS (continued)

The Company

	Plant and equipment RM'000
Cost:	
As at 1 January 2024 / 31 December 2024 / 1 January 2025	-
Additions	**10,412**
As at 30 June 2026	**10,412**
Accumulated depreciation:	
As at 1 January 2024 / 31 December 2024 / 1 January 2025	-
Charge for the period	**281**
As at 30 June 2026	**281**
Carrying amount:	
As at 31 December 2024	-
As at 30 June 2026	**10,131**

During the current financial period, amounts recognised in profit or loss are as follows:

	The Group RM'000	The Company RM'000
1.1.2025 to 30.6.2026		
Depreciation on right-of-use assets	**8,255**	**281**
Reversal of impairment loss on right-of-use assets	**(87)**	**-**
Interest expense on lease liabilities	**12,823**	**135**
Expenses relating to short term lease	**757**	**-**
Gain on expiry and termination of lease	**(158)**	**-**
1.1.2024 to 31.12.2024		
Depreciation on right-of-use assets	8,088	-
Impairment loss on right-of-use assets	21,166	-
Interest expense on lease liabilities	4,256	-
Expenses relating to short term lease	825	-
Loss on expiry and termination of lease	6,774	-

Total cash outflows for leases during the current financial period (including fixed, variable and short-term lease payments) of the Group and of the Company amounted to RM47,613,000 (31.12.2024: RM13,314,000) and RM Nil (31.12.2024: RM Nil), respectively.

15. RIGHT-OF-USE ASSETS (continued)

During the previous financial year, the Group sold certain of its leasehold land and buildings and leased the leasehold land and buildings back for 6 years. This sale and leaseback transactions enabled the Group to access more capital while continuing to use the leasehold land and buildings.

During the previous financial year, as a results of loss incurred by steel manufacturing plant of a subsidiary company located at Klang, the Group carried out an impairment test of its leasehold land and buildings under a sale and leaseback arrangement. The assets form part of the Group's steel operation reportable segment. The impairment resulted in the recognition of an impairment loss of RM21,166,000 in profit or loss in the previous financial year. The recoverable amount of the assets was determined on their value-in-use. The discount rate used in measuring the value-in-use was 10%.

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of period/year:				
- Land costs	**28,370**	28,370	**18**	18
- Development costs	**23,273**	23,256	**8**	8
	51,643	51,626	**26**	26
Costs incurred:				
- Land costs	**29,021**	-	**-**	-
- Development costs	**1,112**	17	**-**	-
	30,133	17	**-**	-
Transfer from other receivables (Note 24(b)):				
- Land costs	**3,197**	-	**-**	-
- Development costs	**8,090**	-	**-**	-
	11,287	-	**-**	-
At end of period/year:				
- Land costs	**60,588**	28,370	**18**	18
- Development costs	**32,475**	23,273	**8**	8
	93,063	51,643	**26**	26

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (continued)

(b) Property Development Costs

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
At beginning of period/year:		
- Land costs	**63,381**	64,416
- Development costs	**181,737**	183,832
	245,118	248,248
Costs incurred:		
- Land costs	**2,495**	-
- Development costs	**8,909**	601
	11,404	601
Transfer to contract cost (Note 24(c)):		
- Land costs	**(2,251)**	(1,035)
- Development costs	**(7,102)**	(2,696)
	(9,353)	(3,731)
At end of period/year:		
- Land costs	**63,625**	63,381
- Development costs	**183,544**	181,737
	247,169	245,118
Costs recognised as expenses in profit or loss:		
- Previous years	**(243,512)**	(243,512)
	(243,512)	(243,512)
Accumulated write-down to net realisable value:		
- Write-down for the period/year	**(684)**	-
Net	**2,973**	1,606

17. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Quoted shares in Malaysia, at cost	**42,232**	42,232
Unquoted shares in Malaysia, at cost	**921,230**	921,230
Share options granted to employees of subsidiary companies	**9,460**	9,460
Equity contributions	**149,472**	150,782
	1,080,162	1,081,472
Accumulated impairment losses	**(336,860)**	(336,800)
	743,302	744,672
Total	**785,534**	786,904
Market value of quoted shares	**12,184**	16,020

Movements in the accumulated impairment losses are as follows:

	The Company	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
At beginning of period/year	**336,800**	336,853
Reclassified from amount owing by subsidiary companies (Note 25)	**60**	14
Write off	**-**	(67)
At end of period/year	**336,860**	336,800

The Directors reviewed the Company's investment in subsidiary companies for indication of impairment and concluded that accumulated impairment losses of RM336,860,000 (31.12.2024: RM336,800,000) is deemed adequate in respect of investment in subsidiary companies.

The equity contributions are for the capital expenditures and working capital purposes of subsidiary companies, which are treated as quasi-equity. The equity contributions have no fixed term of repayment and are repayable at the discretion of the subsidiary companies.

As at 30 June 2026, the market value of shares in Lion Posim Berhad ("LPB") held by the Company was below its carrying amount. Accordingly, the Company had undertaken an impairment test on the carrying amount of the investment in the subsidiary company. The recoverable amount of the investment in the subsidiary company was estimated using cash flow projections covering a five-year period. Cash flows beyond that five-year period had been extrapolated using a terminal growth rate of 5% (31.12.2024: 5%). A discount rate of 15% (31.12.2024: 15%) was applied to the cash flow projections. All the above key assumptions were based on management knowledge in the respective industries and historical information. As the recoverable amount exceeds the carrying amount, no impairment loss is required.

17. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Composition of the Group

Details of the Group's subsidiary companies are disclosed in Note 43.

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activities	Principal place of business and place of incorporation	Number of wholly-owned subsidiary companies		Number of non wholly-owned subsidiary companies	
		30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
Manufacture, sale and distribution of steel products	Malaysia	**11**	11	**5**	5
Building materials	Malaysia	**-**	-	**1**	1
Property development	Malaysia	**7**	7	**2**	2
Others	Malaysia	**20**	18	**15**	16
	Other countries	**-**	-	**17**	20
		38	36	**40**	44

Certain investments in subsidiary companies of the Company have been pledged as collateral to financial institutions for banking facilities as disclosed in Note 31.

Non-Controlling Interests in Subsidiary Companies

The Group's subsidiary company that has material non-controlling interests ("NCI") is Lion Posim Berhad ("LPB").

	Percentage of ownership interests held by NCI	(Loss)/Profit allocated to NCI RM'000	Accumulated NCI RM'000
30.6.2026			
LPB	**26%**	**(5,523)**	**191,195**
Other individually immaterial subsidiary companies with NCI		**(797)**	**25,823**
		(6,320)	**217,018**
31.12.2024			
LPB	26%	2,800	197,752
Other individually immaterial subsidiary companies with NCI		(50)	25,896
		2,750	223,648

17. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Summarised financial information in respect of each of the Group's subsidiary company that has material NCI is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	LPB	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Non-current assets	**301,911**	298,576
Current assets	**597,506**	617,092
Non-current liabilities	**(25,353)**	(6,560)
Current liabilities	**(136,607)**	(146,357)
Total equity	**737,457**	762,751
Equity attributable to owners of LPB	**737,457**	762,751
Revenue	**1,096,940**	753,085
(Loss)/Profit for the period/year	**(21,303)**	10,799
(Loss)/Profit attributable to:		
- Owners of LPB	**(21,303)**	10,799
- Non-controlling interests	**-**	-
	(21,303)	10,799
Other comprehensive loss attributable to:		
- Owners of LPB	**(3,991)**	(10,177)
- Non-controlling interests	**-**	-
	(3,991)	(10,177)
Total comprehensive (loss)/income attributable to:		
- Owners of LPB	**(25,294)**	622
- Non-controlling interests	**-**	-
	(25,294)	622
Net cash inflow/(outflow) from:		
- Operating activities	**17,000**	17,216
- Investing activities	**(6,864)**	6,258
- Financing activities	**1,202**	(13,659)
Net cash inflow	**11,338**	9,815

18. INVESTMENT IN ASSOCIATED COMPANIES

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At cost:				
- Quoted investments	**239,501**	239,501	**64,394**	64,394
- Unquoted investments	**69,994**	85,317	**-**	15,323
	309,495	324,818	**64,394**	79,717
Share of post-acquisition results and reserves less dividend received	**26,572**	45,878	**-**	-
Accumulated impairment losses	**(12,655)**	(12,655)	**-**	(15,323)
	323,412	358,041	**64,394**	64,394
Market value of quoted investments	**73,086**	88,864	**11,652**	15,183

Movements in the accumulated impairment losses are as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of period/year	**12,655**	12,655	**15,323**	15,323
Written off upon dissolution	**-**	-	**(15,323)**	-
At end of period/year	**12,655**	12,655	**-**	15,323

Details of the associated companies are disclosed in Note 44.

During the financial period, the Group received RM19,228,000 from the associated companies pursuant to the capital reduction, which was distributed proportionately to all shareholders. The distribution did not result in any change in the Group's ownership interest in the associated companies.

A certain portion of the investment in an associated company of the Group and of the Company has been pledged as collateral to financial institutions for banking facilities as disclosed in Note 31.

Management exercises its judgement in estimating the recoverable amounts of the investment. When there is an indication that the carrying amount of an asset may be impaired, the asset's recoverable amount, being the higher of its fair value less costs to sell and its value-in-use ("VIU"), will be assessed.

The assessment of the recoverable amounts involves a number of methodologies. Judgements made by management in the process of applying the Group's accounting policies in respect of investment in associated companies are as follows:

- The Group does not consider prolonged shortfall between market value and carrying amount as an indication of impairment as management believes that the quoted market price of the most recent transactions of the associated company does not reflect the recoverable amount of the investment of the associated company.

18. INVESTMENT IN ASSOCIATED COMPANIES (continued)

- The Group considers the investment in associated companies as a long-term strategic investment which will be realised upon the disposal of the investment in associated companies.

As at 30 June 2026, the market value of shares in Parkson Holdings Berhad ("Parkson") held by the Group was below its carrying amount. Accordingly, the Group had undertaken an impairment test on the carrying amount of the investment in the associated company. The recoverable amount of the investment in the associated company was estimated using cash flow projections covering a five-year period. Cash flows beyond that five-year period had been extrapolated using a terminal growth rate of 2% (31.12.2024: 2%). A discount rate of 9% (31.12.2024: 10%) was applied to the cash flow projections. All the above key assumptions were based on management knowledge in the respective industries and historical information. As the recoverable amount exceeds the carrying amount, no impairment loss is required.

Summarised financial information in respect of the Group's material associated company, Parkson and reconciliation of the information of the carrying amount to the Group's interest in the associated companies, are set out below. The summarised financial information presented below represents the amounts in the financial statements of the associated companies and not the Group's shares of those amounts.

30.6.2026	**Parkson RM'000**	**Other individually immaterial associated companies RM'000**	**Total RM'000**
Summarised financial information			
Proportion of the Group's effective ownership interest	**25%**		
Assets and liabilities			
Current assets	**2,037,825**	**226,940**	**2,264,765**
Non-current assets	**5,922,362**	**28,556**	**5,950,918**
Current liabilities	**(3,097,421)**	**(43,930)**	**(3,141,351)**
Non-current liabilities	**(2,817,875)**	**(5,174)**	**(2,823,049)**
Non-controlling interests	**(806,207)**	**(3,947)**	**(810,154)**
Net assets	**1,238,684**	**202,445**	**1,441,129**
1.1.2025 to 30.6.2026			
Results			
Revenue	**3,733,387**	**106,085**	**3,839,472**
Loss for the period	**(28,533)**	**(34,489)**	**(63,022)**
Other comprehensive loss for the period	**(43,020)**	**-**	**(43,020)**
Total comprehensive loss for the period	**(71,553)**	**(34,489)**	**(106,042)**
Group's share of results of associated companies	**(3,676)**	**(12,905)**	**(16,581)**
Foreign currency translation differences and Group's share of other comprehensive (loss)/income of associated companies	**(6,915)**	**8,093**	**1,178**

18. INVESTMENT IN ASSOCIATED COMPANIES (continued)

30.6.2026 (continued)	Parkson RM'000	Other individually immaterial associated companies RM'000	Total RM'000
Reconciliation of net assets to carrying amount			
Group's share of net assets	**310,380**	**13,032**	**323,412**
Carrying amount in the Group's statements of financial position	**310,380**	**13,032**	**323,412**
31.12.2024			
Summarised financial information			
Proportion of the Group's effective ownership interest	25%		
Assets and liabilities			
Current assets	2,340,116	237,537	2,577,653
Non-current assets	5,977,741	37,805	6,015,546
Current liabilities	(2,235,447)	(39,807)	(2,275,254)
Non-current liabilities	(3,906,647)	(20,669)	(3,927,316)
Non-controlling interests	(894,875)	(3,947)	(898,822)
Net assets	1,280,888	210,919	1,491,807
1.1.2024 to 31.12.2024			
Results			
Revenue	2,805,074	133,893	2,938,967
(Loss)/Profit for the year	(127,189)	4,352	(122,837)
Other comprehensive (loss)/income for the year	(100,171)	1,664	(98,507)
Total comprehensive (loss)/income for the year	(227,360)	6,016	(221,344)
Group's share of results of associated companies	(25,565)	1,664	(23,901)
Foreign currency translation differences and Group's share of other comprehensive loss of associated companies	(13,526)	(2,852)	(16,378)
Reconciliation of net assets to carrying amount			
Group's share of net assets	320,972	37,069	358,041
Carrying amount in the Group's statements of financial position	320,972	37,069	358,041

18. INVESTMENT IN ASSOCIATED COMPANIES (continued)

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Share of net assets (excluding goodwill)	**95,383**	107,728
Share of goodwill of associated companies	**228,029**	250,313
	323,412	358,041

Dissolution of associated company, Angkasa Amsteel (M) Sdn Bhd

During the financial period, the Group and the Company recognised a gain of RM224,000 to profit or loss, arising from the dissolution of associated company.

19. INVESTMENT IN JOINT VENTURE

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Unquoted shares:		
- At cost	**35**	35
- Share in post-acquisition results less dividend received	**(35)**	(8)
	-	27

Details of the joint venture are as follows:

Name of joint venture	**Financial year end**	**Principal place of business and place of incorporation**	**Effective percentage ownership**		**Principal activity**
			30.6.2026	**31.12.2024**	
			%	**%**	
Mergexcel Property Development Sdn Bhd (In voluntary liquidation)	31 March	Malaysia	**49**	49	Property development

The joint venture is audited by a firm of auditors other than the auditors of the Company.

19. INVESTMENT IN JOINT VENTURE (continued)

The summarised unaudited financial information in respect of the joint venture of the Group is set out below:

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Assets and Liabilities		
Current assets	**-**	68
Current liabilities	**-**	(14)
Net assets	**-**	54
Reconciliation of net assets to carrying amount		
Group's share of net assets and carrying amount in the Group's statements of financial position	**-**	27

As at 30 June 2026 and 31 December 2024, there are no contingent liabilities and capital commitments relating to the Group’s interest in the joint venture.

20. LONG-TERM INVESTMENTS

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fair value through other comprehensive income				
Unquoted investments in Malaysia	**513**	513	**216**	216
At amortised cost				
Unquoted bonds, adjusted for accretion of interest	**67,323**	67,641	**-**	-
Less: Accumulated impairment losses	**(67,323)**	(67,641)	**-**	-
	-	-	**-**	-
Total	**513**	513	**216**	216

Movements in the accumulated impairment losses are as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of period/year	**67,641**	68,248	**-**	-
Reversal	**(318)**	(607)	**-**	-
At end of period/year	**67,323**	67,641	**-**	-

The Directors reviewed the Group's and the Company's long-term investments measured at amortised cost for indication of impairment and concluded that the carrying amounts at the end of the reporting period were equivalent to their recoverable amounts.

The investment in unquoted bonds of the Group bears yield to maturity of 4.75% (31.12.2024: 4.75%) per annum.

21. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets/(liabilities) of the Group and of the Company are as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of period/year	**(53,996)**	(58,598)	**-**	-
Transfer to/(from) profit or loss (Note 10):				
- Property, plant and equipment	**5**	421	**-**	-
- Inventories	**(17)**	26	**-**	-
- Others	**46**	4,890	**-**	-
- Unused tax losses and unabsorbed capital allowances	**(4)**	(735)	**-**	-
	30	4,602	**-**	-
At end of period/year	**(53,966)**	(53,996)	**-**	-

Certain deferred tax assets and liabilities have been offset in accordance with the Group's and the Company's accounting policy. The following is the analysis of the deferred tax balances (after offsetting) for the statements of financial position purposes:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deferred tax assets	**10,275**	10,153	**-**	-
Deferred tax liabilities	**(64,241)**	(64,149)	**-**	-
	(53,966)	(53,996)	**-**	-

21. DEFERRED TAX ASSETS/LIABILITIES (continued)

Deferred tax assets/liabilities presented in the statements of financial position are in respect of the tax effects of the following:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deferred tax assets				
Temporary differences arising from:				
- Inventories	**244**	261	**-**	-
- Others	**13,984**	13,891	**-**	-
Unused tax losses and unabsorbed capital allowances	**-**	4	**-**	-
	14,228	14,156	**-**	-
Offsetting	**(3,953)**	(4,003)	**-**	-
Deferred tax assets (after offsetting)	**10,275**	10,153	**-**	-
Deferred tax liabilities				
Temporary differences arising from:				
- Property, plant and equipment	**61,572**	61,577	**-**	-
- Others	**6,622**	6,575	**-**	-
	68,194	68,152	**-**	-
Offsetting	**(3,953)**	(4,003)	**-**	-
Deferred tax liabilities (after offsetting)	**64,241**	64,149	**-**	-

22. GOODWILL

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Goodwill on consolidation:		
Cost	**131,644**	131,644
Accumulated impairment losses	**(131,644)**	(131,644)
	-	-

Movements in the accumulated impairment losses are as follows:

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
At beginning and end of period/year	**131,644**	131,644

Goodwill acquired in business combinations is allocated, at acquisition date, to cash-generating-units ("CGU") that are expected to benefit from that business combination. Goodwill has been allocated to the steel operations of the Group.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from a value-in-use calculation. The key assumptions for the value-in-use calculation are those regarding the discount rate, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rate using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

In the previous years, the Group prepared cash flow forecasts derived from the most recent financial budgets for next financial year and extrapolates cash flows for the following 4 financial years based on an estimated growth rate of 5% per annum. The pre-tax discount rate used was 10%. The Group conducted an impairment test, it was revealed that the recoverable amount of goodwill associated with the Group's steel operations was lower than its carrying amount. As a result, the goodwill amounting to RM131,644,000 was fully impaired, and no analysis of the sensitivity of the impairment test to changes in key assumptions was performed.

23. INVENTORIES

Inventories consist of the following:

	The Group		The Company	
	30.6.2026	31.12.2024	**30.6.2026**	31.12.2024
	RM'000	RM'000	**RM'000**	RM'000
Property:				
- Completed units for sale	**126**	126	**43**	43
Raw materials	**16,330**	52,943	**-**	-
Finished goods	**32,333**	79,296	**-**	-
General and consumables stores	**107,003**	118,428	**-**	-
Trading merchandise	**12,669**	16,917	**-**	-
	168,335	267,584	**-**	-
Less: Allowance for obsolescence of inventories	**(45,844)**	(46,140)	**-**	-
	122,491	221,444	**-**	-
Net	**122,617**	221,570	**43**	43

Movement in the allowances for obsolescence of inventories are as follows:

	The Group	
	30.6.2026	31.12.2024
	RM'000	RM'000
At beginning of period/year	**46,140**	11,351
Allowance for obsolescence of inventories (Note 6)	**149**	35,174
Written off	**(445)**	(385)
At end of period/year	**45,844**	46,140

As a result of the temporarily stopped production of steel manufacturing plants at Banting, certain general and consumable stores used in the productions become obsolete and their carrying amounts might not be recoverable. The management has analysed the sales trends and current economic trends when making allowance for obsolescence of inventories. During the current financial period, allowance for obsolescence of inventories amounted to RM149,000 (1.1.2024 to 31.12.2024: RM35,174,000) is recognised and included in other operating expenses in statements of profit or loss.

During the current financial period/year, amounts recognised in profit or loss are as follows:

	The Group	
	30.6.2026	31.12.2024
	RM'000	RM'000
Inventories written back/(down)	**2,463**	(8,851)
Inventories written off	**-**	(98)

23. INVENTORIES (continued)

In the current financial period, the inventories written back to net realisable value amounted to RM2,463,000 (1.1.2024 to 31.12.2024: written down of RM8,851,000) is recognised as an income (1.1.2024 to 31.12.2024: expense) and included in raw materials and consumables used in the statements of profit or loss.

24. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS, PREPAYMENTS, CONTRACT COSTS AND CONTRACT ASSETS

(a) Trade receivables

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	**442,356**	497,147	**2,192**	-
Less: Accumulated impairment losses	**(185,326)**	(176,309)	**-**	-
Less: Net loss on financial assets measured at amortised costs	**(2,817)**	-	**-**	-
Net	**254,213**	320,838	**2,192**	-

Trade receivables of the Group comprise amounts receivable for the sale of goods and services rendered.

The credit period granted to customers ranges from 30 to 90 days (31.12.2024: 30 to 90 days).

The gross trade receivables due from a related party of RM51,450,000 (31.12.2024: RM65,079,000) are secured by a lienholder's caveat placed on two parcels of land, with an estimated value of RM43 million (31.12.2024: RM43 million), in favour of the Group. During the financial period, the Group recognised an impairment loss of RM10,744,000 (1.1.2024 to 31.12.2024: RM Nil) and a net loss on financial assets measured at amortised cost of RM2,817,000 (1.1.2024 to 31.12.2024: RM Nil) in profit or loss in respect of the trade receivable due from the related party.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

24. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS, PREPAYMENTS, CONTRACT COSTS AND CONTRACT ASSETS (continued)

(a) Trade receivables (continued)

	The Group			
	30.6.2026		31.12.2024	
	Gross trade receivables RM'000	Lifetime ECL RM'000	Gross trade receivables RM'000	Lifetime ECL RM'000
Not past due	**132,757**	**2,203**	95,351	3,768
Past due:				
1 - 30 days	**57,603**	**2,597**	50,833	1,019
31 - 60 days	**39,873**	**3,252**	43,027	658
More than 60 days	**212,123**	**177,274**	307,936	170,864
	442,356	**185,326**	497,147	176,309

	The Company			
	30.6.2026		31.12.2024	
	Gross trade receivables RM'000	Lifetime ECL RM'000	Gross trade receivables RM'000	Lifetime ECL RM'000
Not past due	**2,192**	**-**	-	-

Movement in the accumulated impairment losses are as follows:

	The Group	
	30.6.2026 RM'000	31.12.2024 RM'000
At beginning of period/year	**176,309**	174,083
Addition	**19,028**	11,664
Reversal	**(6,096)**	(1,844)
Write off	**(3,915)**	(7,594)
At end of period/year	**185,326**	176,309

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

As at 30 June 2026, the Group has trade receivables owing by a major related party, Lion DRI (31.12.2024: Lion DRI) which has been fully impaired in the previous years:

	The Group	
	30.6.2026 RM'000	31.12.2024 RM'000
Lion DRI	**113,402**	113,402
Less: Accumulated impairment losses	**(113,402)**	(113,402)
Net	**-**	-

24. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS, PREPAYMENTS, CONTRACT COSTS AND CONTRACT ASSETS (continued)

(a) Trade receivables (continued)

The Group recognised impairment loss on trade receivables owing by this major related party based on an assessment of the recoverability of the receivables, as disclosed in Note 4(i)(a).

As at 30 June 2026, the trade receivables of a subsidiary company of RM6,886,000 (31.12.2024: RM12,133,000) has been charged as collateral to a financial institution for the bank borrowings granted to the Group (Note 31).

(b) Other receivables, deposits and prepayments

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other receivables	**394,570**	452,497	**3,467**	4,141
Less: Accumulated impairment losses	**(138,479)**	(149,292)	**(2,036)**	(2,095)
Net	**256,091**	303,205	**1,431**	2,046
Advance payments to suppliers	**2,092**	25,542	**-**	-
Deposits	**28,662**	32,783	**2,208**	216
Prepayments	**27,510**	21,049	**3,541**	5,444
	314,355	382,579	**7,180**	7,706

During the financial period, all conditions precedent in respect of the Proposed Unincorporated Joint Venture, as disclosed in Note 41(3), were fulfilled. Accordingly the Group reclassified RM11,287,000 previously recognised under other receivables in respect of the Proposed Unincorporated Joint Venture to land held for property development in Note 16(a). The amount included a refundable deposit which became non-refundable upon fulfilment of the conditions precedent.

Movement in the accumulated impairment losses are as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of period/year	**149,292**	155,871	**2,095**	1,304
Addition	**380**	1,115	**-**	822
Reversal	**(10,036)**	(7,680)	**(59)**	(31)
Write off	**(1,157)**	(14)	**-**	-
At end of period/year	**138,479**	149,292	**2,036**	2,095

24. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS, PREPAYMENTS, CONTRACT COSTS AND CONTRACT ASSETS (continued)

(b) Other receivables, deposits and prepayments (continued)

As at 30 June 2026, the Group has other receivables due from the following two major related parties, Lion DRI and Graimpi:

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Other receivables		
Graimpi	**103,730**	103,730
Lion DRI	**7,485**	7,485
	111,215	111,215
Less: Accumulated impairment losses	**(111,215)**	(111,215)
	-	-

The amounts owing by Graimpi and Lion DRI, totalling RM111,215,000 (31.12.2024: RM111,215,000), have been impaired based on the assessment as disclosed in Note 4(i)(a).

In determining the recoverability of other receivables, the Group considers any change in the credit quality of the other receivables from the date credit was initially granted up to the end of the reporting period.

The currency profile of other receivables and deposits is as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**277,924**	329,158	**3,639**	2,262
United States Dollar	**5,183**	5,277	**-**	-
Chinese Renminbi	**313**	205	**-**	-
Others	**1,333**	1,348	**-**	-
	284,753	335,988	**3,639**	2,262

(c) Contract costs

Contract costs consist of the following:

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
At beginning of period/year	**632**	-
Transfer from property development costs (Note 16(b))	**9,353**	3,731
Cost recognised as expenses in the current period/year (presented as "property development cost" in Statements of Profit or Loss)	**(9,622)**	(3,099)
At end of period/year	**363**	632

24. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS, PREPAYMENTS, CONTRACT COSTS AND CONTRACT ASSETS (continued)

(d) Contract assets

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Contract assets		
Property development contracts	**1,397**	2,994

Contract assets from property development

The Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

The Group's contract assets as of each reporting period can be summarised as follows:

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
At beginning of period/year	**2,994**	-
Recognition of revenue during the period/year	**5,567**	4,432
Progress billings issued during the period/year	**(7,164)**	(1,438)
At end of period/year	**1,397**	2,994

25. RELATED COMPANIES TRANSACTIONS

Amount owing by subsidiary companies included under non-current assets

	The Company	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Amount owing by subsidiary companies	**378,973**	498,546
Less: Accumulated impairment losses	**(7,244)**	(13,642)
	371,729	484,904

Amount owing by subsidiary companies included under non-current assets which arose mainly from inter-company advances, expenses paid on behalf and novation of debts, are unsecured, interest-free and not expected to be settled within next 12 months.

25. RELATED COMPANIES TRANSACTIONS (continued)

Amount owing by subsidiary companies included under current assets

	The Company	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Amount owing by subsidiary companies	**323**	209
Less: Accumulated impairment losses	**(208)**	(205)
	115	4

Amount owing by subsidiary companies included under current assets which arose mainly from inter-company advances, expenses paid on behalf and novation of debts, are interest-free and receivable on demand.

Movement in the accumulated impairment losses is as follows:

	The Company	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
At beginning of period/year	**13,847**	15,764
Addition	**63**	221
Reversal	**(6,398)**	(2,124)
Reclassified to investment in subsidiary companies (Note 17)	**(60)**	(14)
At end of period/year	**7,452**	13,847

The amount owing by subsidiary companies is denominated in Ringgit Malaysia.

Amount owing to subsidiary companies

	The Company	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Included under:		
Non-current liabilities	**-**	146,633
Current liabilities	**148,529**	-
	148,529	146,633

Amount owing to subsidiary companies under non-current liabilities which arose mainly from inter-company advances, expenses paid on behalf and novation of debts, was unsecured, interest-free and not due for settlement within 12 months.

Amount owing to subsidiary companies under current liabilities which arose mainly from inter-company advances, expenses paid on behalf and novation of debts, was unsecured, interest-free and repayable on demand.

25. RELATED COMPANIES TRANSACTIONS (continued)

The currency profile of amount owing to subsidiary companies is as follows:

	The Company	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Ringgit Malaysia	**139,693**	139,003
Chinese Renminbi	**8,836**	7,630
	148,529	146,633

The Company has the following non-trade transactions with subsidiary companies during the reporting period:

	The Company	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
With subsidiary companies:		
- Advances from	**2,758**	1,343
- Repayment to	**(24,525)**	(6,375)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows have been, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from/(used in) financial activities.

	As at 1 January 2025	**Non cash flows**	**Financing cash flows**	**As at 30 June 2026**
	RM'000	**RM'000**	**RM'000**	**RM'000**
The Company				
Amount owing to subsidiary companies	**146,633**	**23,663**	**(21,767)**	**148,529**

	As at 1 January 2024	**Non cash flows**	**Financing cash flows**	**As at 31 December 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
The Company				
Amount owing to subsidiary companies	143,240	8,425	(5,032)	146,633

26. INVESTMENT IN MONEY MARKET FUNDS, DEPOSITS, CASH AND BANK BALANCES

(a) Investment in money market funds

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Fair value through profit or loss:		
Investment in money market funds	**2,576**	2,449

The Group's investment in money market funds, denominated in Ringgit Malaysia, is managed by a licensed fund management company. The amounts deposited can be withdrawn at the discretion of the Group by given a two-day notice period.

(b) Deposits, cash and bank balances

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits with financial institutions:				
- Restricted	**28,710**	28,902	**3,634**	3,458
- Unrestricted (Note 35)	**60,092**	68,841	**454**	220
	88,802	97,743	**4,088**	3,678
Housing Development Accounts (Note 35)	**4**	4	**-**	-
Cash and bank balances:				
- Restricted	**23**	23	**23**	23
- Unrestricted (Note 35)	**31,487**	46,359	**323**	106
	120,316	144,129	**4,434**	3,807

The Housing Development Accounts are maintained in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the subsidiary companies involved upon the completion of the property development projects and after all property development expenditure have been fully settled.

Included in deposits with financial institutions and cash and bank balances are the amount totalling RM28.7 million (31.12.2024: RM28.9 million) and RM3.6 million (31.12.2024: RM3.5 million) of the Group and of the Company, respectively, which have been pledged or earmarked for the repayment of the borrowings in Note 31 and pledged as collateral for bank guarantees granted.

The effective interest rates during the financial period/year are ranged as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
Deposits with financial institutions (per annum)	**1.12% to 3.25%**	1.05% to 3.05%	**2.25% to 2.98%**	2.25% to 2.75%

26. INVESTMENT IN MONEY MARKET FUNDS, DEPOSITS, CASH AND BANK BALANCES (continued)

(b) Deposits, cash and bank balances (continued)

Deposits of the Group and of the Company have maturity periods ranging from 1 to 365 days (31.12.2024: 1 to 365 days) and 1 to 365 days (31.12.2024: 1 to 365 days), respectively.

The currency profile of deposits, cash and bank balances is as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**91,958**	115,229	**4,434**	3,807
Chinese Renminbi	**26,659**	27,093	**-**	-
United States Dollar	**1,699**	1,807	**-**	-
	120,316	144,129	**4,434**	3,807

The deposits, cash and bank balances denominated in Chinese Renminbi of subsidiary companies in the People's Republic of China ("PRC") are subject to the exchange control restrictions of that country. The said deposits, cash and bank balances are available for use by the subsidiary companies in the PRC and the exchange control restrictions are applicable only if the monies are to be remitted to countries outside the PRC.

27. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Leasehold land transfer from prepaid land lease payments (Note 14 and Note 41(2)(b)(ii))	**-**	5,405
Freehold land (Note 12 and Note 41(1))	**12,856**	12,725
	12,856	18,130

28. SHARE CAPITAL

Share capital of the Group and of the Company is presented by:

	The Group and The Company			
	30.6.2026		31.12.2024	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued share capital (no par value):				
Ordinary shares:				
At beginning of period/year	**717,909**	**1,250,536**	717,909	1,250,536
Exercise of warrants	**2**	**1**	-	-
At end of period/year	**717,911**	**1,250,537**	717,909	1,250,536

Holders of ordinary shares are entitled to dividends as declared from time to time and have one vote per share at general meetings of the Company. All ordinary shares rank equally with respect to the Company's residual assets.

During the financial period, the Company issued 1,875 new ordinary shares pursuant to the exercise of warrants at an exercise price of RM0.43 per ordinary share for cash.

As at the date of this report, the total number of issued shares of the Company are 717,911,240 (31.12.2024: 717,909,365), including 37,105,300 treasury shares.

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

29. WARRANTS

The Company had on 14 December 2022 issued 340,400,686 warrants by way of bonus issue on the basis of 1 warrant for every 2 existing ordinary shares held in the Company.

Salient features of the warrants are as follows:

(a) Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or before the maturity date, 12 December 2025, falling 3 years from the date of issuance of the warrants. Unexercised warrants after the exercise period will thereafter lapse and cease to be valid;

(b) The exercise price of the warrants is fixed at RM0.43 per warrant;

(c) The new ordinary shares to be issued upon the exercise of the warrants shall rank *pari passu* in all respects with the existing ordinary shares of the Company; and

(d) The warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2022.

During the financial period, a total of 1,875 warrants were exercised by the warrant holders, resulting in the issuance of 1,875 new ordinary shares in the Company. The remaining 340,398,811 unexercised warrants expired on 12 December 2025.

30. RESERVES

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-distributable reserves:				
- Treasury shares	**(13,193)**	(13,193)	**(13,193)**	(13,193)
- Capital and surplus reserves	**(85,656)**	(78,741)	**5,419**	5,419
- Translation adjustment reserve	**67,036**	63,465	**-**	-
- Fair value reserve	**(41)**	(41)	**-**	-
	(31,854)	(28,510)	**(7,774)**	(7,774)
Accumulated losses	**(436,980)**	(232,221)	**(163,531)**	(46,943)
	(468,834)	(260,731)	**(171,305)**	(54,717)

Treasury shares

This amount relates to the acquisition cost of treasury shares. The Directors are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and of its shareholders.

As of 30 June 2026, the Company held 37,105,300 (31.12.2024: 37,105,300) treasury shares at a carrying amount of RM13,192,722 (31.12.2024: RM13,192,722).

Capital and surplus reserves

Capital reserve, which arose from share options lapsed, reclassified from equity compensation reserve and share of other reserves in subsidiary and associated companies.

The surplus reserve represents the reserve maintained in the People's Republic of China in accordance with the regulations and is not available for payment of dividend.

Translation adjustment reserve

Exchange differences arising from the translation of foreign controlled subsidiary and associated companies are taken to the translation adjustment reserve as described in the accounting policies.

Fair value reserve

Fair value reserve comprises fair value changes on revaluation of unquoted investments designated at fair value through other comprehensive income.

31. LOANS AND BORROWINGS

	The Group		The Company	
	30.6.2026 RM'000	31.12.2024 RM'000	30.6.2026 RM'000	31.12.2024 RM'000
Non-current				
Secured				
Term loans from financial institutions	**46,600**	1,100	**-**	-
Unsecured				
Obligations under hire-purchase arrangements (Note 31(c))	**260**	330	**-**	-
	46,860	1,430	**-**	-
Current				
Secured				
Term loans from financial institutions	**52,156**	8,359	**3,901**	4,459
Bank overdrafts (Note 35)	**-**	2,579	**-**	-
Bills payable, banker's acceptance and revolving credit	**36,047**	74,500	**-**	-
Receivables financing	**6,886**	12,113	**-**	-
Unsecured				
Obligations under hire-purchase arrangements (Note 31(c))	**116**	189	**-**	-
Bills payable, banker's acceptance and revolving credit	**526**	890	**-**	-
	95,731	98,630	**3,901**	4,459
	142,591	100,060	**3,901**	4,459

Included in current loans and borrowings of the Group is a term loan amounting to RM33.5 million (31.12.2024: Nil) which was contractually repayable on 30 July 2026. Subsequent to the reporting date, the Group obtained the lender's approval to reschedule the repayment of the outstanding principal amount of RM33.5 million (31.12.2024: Nil) and extend the facility tenure to 31 December 2027. Under the revised repayment terms, the outstanding principal amount will be settled in instalments up to 31 December 2027.

As the loan rescheduling arrangement was approved after the reporting date, the Group did not have an unconditional right as at 30 June 2026 to defer settlement of the liability for at least twelve months after the reporting date. Accordingly, the term loan is presented as a current liability as at 30 June 2026.

The currency profile of loans and borrowings of the Group and of the Company are denominated in Ringgit Malaysia.

31. LOANS AND BORROWINGS (continued)

(a) Terms and repayment schedule

The Group

	Carrying amount RM'000	Within 1 year RM'000	2 to 5 years RM'000
30.6.2026			
Secured			
Term loans from financial institutions	**98,756**	**52,156**	**46,600**
Bills payable, banker's acceptance and revolving credit	**36,047**	**36,047**	**-**
Receivables financing	**6,886**	**6,886**	**-**
Unsecured			
Obligations under hire-purchase arrangements (Note 31(c))	**376**	**116**	**260**
Bills payable, banker's acceptance and revolving credit	**526**	**526**	**-**
	142,591	**95,731**	**46,860**
31.12.2024			
Secured			
Term loans from financial institutions	9,459	8,359	1,100
Bank overdrafts	2,579	2,579	-
Bills payable, banker's acceptance and revolving credit	74,500	74,500	-
Receivables financing	12,113	12,113	-
Unsecured			
Obligations under hire-purchase arrangements (Note 31(c))	519	189	330
Bills payable, banker's acceptance and revolving credit	890	890	-
	100,060	98,630	1,430

31. LOANS AND BORROWINGS (continued)

(a) Terms and repayment schedule (continued)

The Company

	Carrying amount RM'000	Within 1 year RM'000
30.6.2026		
Secured		
Term loan from financial institution	**3,901**	**3,901**
31.12.2024		
Secured		
Term loan from financial institution	4,459	4,459

The receivables financing of the Group is secured by trade receivables of an indirect subsidiary company and corporate guarantee of a subsidiary company.

The borrowings pertaining to certain subsidiary companies are secured by charges on the deposits with financial institutions (Note 26(b)), certain investment in an associated company (Note 18) and corporate guarantee from the Company (Note 38).

The short-term borrowings of the Company are secured by charges on certain investment in an associated company (Note 18) and certain investment in subsidiary companies (Note 17).

The borrowings and hire-purchase obligations of the Group and of the Company bear interest at rates ranging from 3.67% to 12.00% (31.12.2024: 3.67% to 10.00%) and 7.60% to 10.00% (31.12.2024: 7.60% to 10.00%) per annum, respectively.

31. LOANS AND BORROWINGS (continued)

(b) Reconciliation of liabilities arising from financing activities

	As at 1 January 2025 RM'000	(Repayments)/ Drawdown RM'000	Interest paid RM'000	Interest expense RM'000	As at 30 June 2026 RM'000
The Group					
Obligations under hire purchase arrangements	**519**	**(143)**	**(33)**	**33**	**376**
Other borrowings (other than bank overdrafts)	**96,962**	**44,898**	**(17,424)**	**17,779**	**142,215**
	97,481	**44,755**	**(17,457)**	**17,812**	**142,591**
The Company					
Other borrowings (other than bank overdrafts)	**4,459**	**(558)**	**(483)**	**483**	**3,901**

31. LOANS AND BORROWINGS (continued)

(b) Reconciliation of liabilities arising from financing activities (continued)

	As at 1 January 2024 RM'000	(Repayments)/ Drawdown RM'000	Interest paid RM'000	Interest expense RM'000	As at 31 December 2024 RM'000
The Group					
Obligations under hire purchase arrangements	771	(252)	(20)	20	519
Other borrowings (other than bank overdrafts)	145,420	(48,458)	(8,268)	8,268	96,962
	146,191	(48,710)	(8,288)	8,288	97,481
The Company					
Other borrowings (other than bank overdraft)	4,820	(361)	(372)	372	4,459

31. LOANS AND BORROWINGS (continued)

(c) Obligations under hire-purchase arrangements

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Minimum hire-purchase payments:		
- Within 1 year	**136**	204
- More than 1 year but not exceeding 2 years	**136**	123
- More than 2 years but not exceeding 5 years	**159**	254
	431	581
Future finance charges on hire-purchase liabilities:		
- Within 1 year	**(20)**	(15)
- More than 1 year but not exceeding 2 years	**(19)**	(14)
- More than 2 years but not exceeding 5 years	**(16)**	(33)
	(55)	(62)
Principal amount relating to hire-purchase liabilities	**376**	519
Breakdown:		
- Non-current	**260**	330
- Current	**116**	189
	376	519

32. LEASE LIABILITIES

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At beginning of period/year	**151,431**	24,079	**-**	-
Additions	**633**	142,242	**10,412**	-
Expiry and termination of lease term	**(158)**	(6,657)	**-**	-
Increase arising from lease modification	**2,678**	-	**-**	-
Finance costs (Note 9)	**12,823**	4,256	**135**	-
Payment of lease rental	**(46,856)**	(12,489)	**-**	-
At end of period/year	**120,551**	151,431	**10,547**	-
Breakdown:				
Non-current	**90,298**	126,431	**9,109**	-
Current	**30,253**	25,000	**1,438**	-
	120,551	151,431	**10,547**	-

The minimum lease payments for the lease liabilities are payable as follows:

The Group

	Future minimum lease payments	**Interest**	**Present value of minimum lease payments**
	RM'000	**RM'000**	**RM'000**
30.6.2026			
Within 1 year	**36,846**	**(6,593)**	**30,253**
More than 1 year but not exceeding 2 years	**31,366**	**(4,909)**	**26,457**
More than 2 years but not exceeding 5 years	**68,612**	**(4,771)**	**63,841**
More than 5 years	**-**	**-**	**-**
	136,824	**(16,273)**	**120,551**
31.12.2024			
Within 1 year	33,939	(8,939)	25,000
More than 1 year but not exceeding 2 years	35,040	(7,479)	27,561
More than 2 years but not exceeding 5 years	90,854	(11,347)	79,507
More than 5 years	19,768	(405)	19,363
	179,601	(28,170)	151,431

The Group does not face a significant liquidity risk with regard to its lease liabilities.

32. LEASE LIABILITIES (continued)

The Company

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
30.6.2026			
Within 1 year	**2,188**	**(750)**	**1,438**
More than 1 year but not exceeding 2 years	**2,188**	**(635)**	**1,553**
More than 2 years but not exceeding 5 years	**4,375**	**(887)**	**3,488**
More than 5 years	**4,375**	**(307)**	**4,068**
	13,126	**(2,579)**	**10,547**
31.12.2024			
Within 1 year	-	-	-
More than 1 year but not exceeding 2 years	-	-	-
More than 2 years but not exceeding 5 years	-	-	-
More than 5 years	-	-	-
	-	-	-

The Company does not face a significant liquidity risk with regard to its lease liabilities.

32. LEASE LIABILITIES (continued)

Reconciliation of liabilities arising from financing activities

The table below details the reconciliation of the opening and closing amounts in the statements of financial position for each liability for which cash flows have been, or would be, classified as financing activities in the statements of cash flows:

	As at 1 January 2025 RM'000	Interest expense RM'000	Interest paid RM'000	Repayments RM'000	Other non-cash financing RM'000	As at 30 June 2026 RM'000
The Group						
Lease liabilities	**151,431**	**12,823**	**(12,823)**	**(34,033)**	**3,153**	**120,551**
The Company						
Lease liabilities	**-**	**135**	**-**	**-**	**10,412**	**10,547**

	As at 1 January 2024 RM'000	Interest expense RM'000	Interest paid RM'000	Repayments RM'000	Other non-cash financing RM'000	As at 31 December 2024 RM'000
The Group						
Lease liabilities	**24,079**	**4,256**	**(4,060)**	**(8,429)**	**135,585**	**151,431**
The Company						
Lease liabilities	-	-	-	-	-	-

33. TRADE PAYABLES, OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES, AND CONTRACT LIABILITIES

(a) Trade payables

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	**305,184**	423,283	**-**	-
Retention monies	**1,069**	879	**26**	65
	306,253	424,162	**26**	65

The normal credit period granted to the Group and the Company for trade purchases ranges from 30 to 60 days (31.12.2024: 30 to 60 days).

Certain portions of the trade payables of the Group are secured by the corporate guarantee from the Company (Note 38).

The currency profile of trade payables is as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**302,299**	410,927	**26**	65
United States Dollar	**2,463**	4,119	**-**	-
Others	**1,491**	9,116	**-**	-
	306,253	424,162	**26**	65

(b) Other payables, deposits and accrued expenses

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other payables and deposits	**212,466**	229,910	**590**	663
Deposit received from non-current assets classified as held for sale	**46,515**	46,470	**-**	-
Accrued expenses	**56,785**	64,720	**3,223**	431
	315,766	341,100	**3,813**	1,094

Included in other payables and deposits of the Group, is an amount of RM12.1 million (31.12.2024: RM15.7 million) representing security deposits received from customers. These deposits bear interest ranging from 11.75% to 12.00% (31.12.2024: 11.75% to 12.00%) per annum and have repayment periods ranging from 1 to 120 days (31.12.2024: 1 to 120 days).

The deposit received from non-current assets classified as held for sale of the Group bears interest of 9.60% (31.12.2024: 9.60%) per annum.

33. TRADE PAYABLES, OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES, AND CONTRACT LIABILITIES (continued)

(b) Other payables, deposits and accrued expenses (continued)

The currency profile of other payables, deposits and accrued expenses is as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**295,214**	308,932	**3,813**	1,094
United States Dollar	**16,065**	23,626	**-**	-
Chinese Renminbi	**4,429**	4,521	**-**	-
Others	**58**	4,021	**-**	-
	315,766	341,100	**3,813**	1,094

(c) Contract liabilities

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Contract liabilities		
Customer loyalty programs (i)	**30,832**	30,544
Advances received from customers (ii)	**723**	5,356
Provision for liquidated and ascertained damage (iii)	**-**	-
Provision for dismantling costs (iv)	**999**	-
Refund liability-volume rebates (v)	**251**	-
	32,805	35,900

(i) Customer loyalty programs

A subsidiary company of the Company accounts for the customer loyalty award credits as a separate obligation of the sales transactions in which they are granted. The consideration received in sales transactions is allocated between the loyalty award credits and the other component of the sales. The amount allocated to the loyalty award credits is determined by reference to its fair value and is deferred until the awards are redeemed or liability is extinguished.

The following table illustrates the reconciliation from the opening balance to the closing balance for the customer loyalty programs.

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
At beginning of period/year	**30,544**	29,628
Provision	**19,783**	13,118
Utilised	**(19,495)**	(12,202)
At end of period/year	**30,832**	30,544

33. TRADE PAYABLES, OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES, AND CONTRACT LIABILITIES (continued)

(c) Contract liabilities (continued)

(ii) Advances received from customers

Advances received from customers represent the considerations received from customers for goods yet to be delivered. The following table shows reconciliation from the opening balance to the closing balance for the advances received from customers.

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
At beginning of period/year	**5,356**	45,870
Consideration received	**623,856**	824,851
Utilised	**(628,489)**	(865,365)
At end of period/year	**723**	5,356

(iii) Provision for liquidated and ascertained damage

Provision of liquidated and ascertained damage arose from failure to deliver the leasehold lands to a customer at the predetermined time.

The following table illustrates the reconciliation from the opening balance to the closing balance for provision for liquidated and ascertained damage:

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
At beginning of period/year	**-**	599
Utilised	**-**	(599)
At end of period/year	**-**	-

(iv) Provision for dismantling costs

The dismantling costs provision has been recognised in respect of property lease agreements entered into by the Group, which require the Group to dismantle and restore the leased properties, including jetties, upon returning them to the owners. The Group estimates the future dismantling costs based on the terms of the lease agreements, taking into consideration its past experience in dismantling similar properties and the expected costs of restoration.

(v) Refund liability-volume rebates

A refund liability is recognised when customers meet a specified sales volume threshold, entitling them to an expected future rebate on subsequent sales transactions.

33. TRADE PAYABLES, OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES, AND CONTRACT LIABILITIES (continued)

(c) Contract liabilities (continued)

(v) Refund liability-volume rebates (continued)

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
At beginning of period/year	**-**	-
Addition	**251**	-
At end of period/year	**251**	-

34. DEFERRED PAYABLES

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Non-current		
Secured	**120,622**	120,622

As part of the expansion into the flat steel business, the Group has acquired from Megasteel Sdn Bhd all the encumbered assets for a total consideration of RM537,725,000 ("Purchase Consideration"). The Purchase Consideration is payable to Megasteel Secured Lenders.

As of 30 June 2026, the Group has paid RM417,103,000 (31.12.2024: RM417,103,000) to the Megasteel Secured Lenders, with the remaining of the Purchase Consideration RM120,622,000 (31.12.2024: RM120,622,000) scheduled for payment in 2031.

The deferred payables of the Group are secured by the said assets acquired which are included in the property, plant and equipment as disclosed in Note 12 and corporate guarantee from the Company (Note 38).

35. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances - unrestricted (Note 26(b))	**31,487**	46,359	**323**	106
Deposits with financial institutions - unrestricted (Note 26(b))	**60,092**	68,841	**454**	220
Housing Development Accounts (Note 26(b))	**4**	4	**-**	-
Bank overdrafts (Note 31)	**-**	(2,579)	**-**	-
	91,583	112,625	**777**	326

36. RELATED COMPANIES AND RELATED PARTIES TRANSACTIONS

Related parties are entities in which certain Directors and/or substantial shareholders of the Company or of its subsidiary companies or persons connected with such Directors and/or substantial shareholders have interest, excluding those parties disclosed in Notes 17, 18, 19 and 25.

The Group has the following significant transactions with related parties during the financial period/year, which were determined on terms not more favourable to the related parties than to third parties:

Sales and purchase of goods and services and interest

		The Group	
Name of Company	**Nature**	**1.1.2025 to 30.6.2026 RM'000**	**1.1.2024 to 31.12.2024 RM'000**
LAP Trading and Marketing Sdn Bhd	Purchase of goods	**-**	10,975
Lion Tooling Sdn Bhd	Purchase of toolings	**1,477**	2,390
	Sale of electricity	**10**	-
Likom Caseworks Sdn Bhd	Management fees income	**3,064**	1,633
Likom CMS Sdn Bhd	Management fees income	**2,298**	1,225
Pancar Tulin Sdn Bhd	Management fees income	**3,604**	2,394
Araprop Development Sdn Bhd	Management fees income	**3,929**	1,086
Senja Cerah Sdn Bhd	Management fees income	**13**	2,473
Secom (Malaysia) Sdn Bhd	Security expenses	**1,312**	1,636
Visionwell Sdn Bhd	Rental expenses	**3,335**	2,483
Lion Mining Sdn Bhd	Sale of goods	**12,262**	10,125
	Rental income	**1,040**	1,347
	Sale of electricity	**1,387**	-
Compact Energy Sdn Bhd*	Purchase of goods	**6,850**	9,295
	Rental income	**291**	382

* Ceased to be related party on 2 September 2025

The gross outstanding balances arising from the transactions with related parties are as follows:

	The Group		The Company	
	30.6.2026 RM'000	**31.12.2024 RM'000**	**30.6.2026 RM'000**	**31.12.2024 RM'000**
Receivables:				
Included in trade receivables	**189,789**	201,506	**742**	-
Included in other receivables	**140,955**	155,005	**423**	1,658
Payables:				
Included in trade payables	**3,409**	4,678	**-**	2
Included in other payables	**17,540**	28,043	**190**	190

36. RELATED COMPANIES AND RELATED PARTIES TRANSACTIONS (continued)

The outstanding balances with related parties are either interest-free or subject to normal trade terms (31.12.2024: either interest-free or subject to normal trade terms), repayable on demand and expected to be settled in cash.

Compensation of key management personnel (other than the Directors of the Company)

Key management personnel (other than the Directors of the Company) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

Acquisition of land by Posim Marketing Sdn Bhd (“Posim Marketing”)

On 25 November 2021, Posim Marketing, a subsidiary company of Lion Posim Berhad ("LPB"), which is in turn a listed subsidiary company of the Company, had entered into a conditional sale and purchase agreement with Bonus Essential Sdn Bhd ("Bonus Essential") for the acquisition of 10.879 acres of vacant freehold industrial land located at Banting Industrial City, Kuala Langat, Selangor (“BIC Industrial Park Development”) from Bonus Essential for a cash consideration of RM26 million (“Purchase Consideration”) (“Acquisition of Land”).

Bonus Essential is a company in which Tan Sri Cheng Heng Jem (“TSWC”) is a director and has substantial interest.

The Purchase Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the market valuation as certified by Henry Butcher Malaysia Sdn Bhd.

Posim Marketing has lodged a private caveat and lien holder’s caveat on the said land. Bonus Essential has procured a personal guarantee from TSWC, its ultimate shareholder, in favour of Posim Marketing with a guaranteed sum of RM26 million to secure the repayment by Bonus Essential in the event Bonus Essential failed to complete the Acquisition of Land.

As at 30 June 2026, the carrying amount of 'capital work-in-progress' includes RM24.4 million (31.12.2024: RM24.4 million) incurred for the Acquisition of Land, which has not been reclassified to 'freehold land' under property, plant and equipment in Note 12, as certain infrastructure works by Bonus Essential are yet to be completed.

37. SEGMENTAL INFORMATION

Segment reporting is presented in respect of the Group's business segments in a manner consistent with the internal reporting provided to and regularly reviewed by the chief operating decision makers in order to allocate resources to a segment and to assess its performance.

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities refer to amounts arising from the operating activities of a segment that are directly attributable to that segment along with the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before the elimination of intragroup balances and transactions during the consolidation process, except to the extent that such intragroup balances and transaction are within the Group.

(a) Business Segments

The Group's activities are classified into three major business segments:

- Steel - manufacture and marketing of steel bars, wire rods, and steel related products, and provision of chartering services;

- Building materials - trading and distribution of building materials and other steel products; and

- Others - property development and management, investment holding, provision of electricity, treasury business, manufacture and trading of lubricants products, distribution of petroleum products and automotive products, provision of transportation services and training services, distributing and retailing of consumer products, none of which is of a sufficient size to be reported separately.

Inter-segment revenue comprises sales of goods and income from other business segments. These transactions are conducted on an arm's length basis under terms, conditions and prices not materially different from transactions with non-related parties.

Capital expenditure comprises additions to property, plant and equipment, investment properties, prepaid land lease payments, right-of-use assets, land held for property development.

37. SEGMENTAL INFORMATION (continued)

(a) Business Segments (continued)

The Group 1.1.2025 to 30.6.2026	Steel RM'000	Building materials RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Statements of Profit or Loss					
Revenue					
External revenue	**653,369**	**861,930**	**211,587**	**-**	**1,726,886**
Inter-segment revenue	**362,550**	**47,483**	**20,333**	**(430,366)**	**-**
Total revenue	**1,015,919**	**909,413**	**231,920**	**(430,366)**	**1,726,886**
Results					
Segment results	**(144,541)**	**4,697**	**7,095**	**-**	**(132,749)**
Finance costs	**(47,300)**	**(1,151)**	**(5,298)**	**-**	**(53,749)**
Share of results of associated companies and joint venture	**(3,061)**	**-**	**(13,547)**	**-**	**(16,608)**
Loss before tax					**(203,106)**
Tax expense					**(7,973)**
Loss for the period					**(211,079)**

37. SEGMENTAL INFORMATION (continued)

(a) Business Segments (continued)

The Group 30.6.2026	Steel RM'000	Building materials RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Statements of Financial Position					
Segment assets	**1,027,121**	**313,361**	**423,750**	**-**	**1,764,232**
Investment in associated companies and joint venture	**27**	**-**	**323,385**	**-**	**323,412**
Unallocated corporate assets					**15,725**
Total Assets					**2,103,369**
Segment liabilities	**788,915**	**47,915**	**201,758**	**-**	**1,038,588**
Unallocated liabilities					**66,060**
Total Liabilities					**1,104,648**
Other Information					
1.1.2025 to 30.6.2026					
Capital expenditure	**11,999**	**305**	**41,074**	**-**	**53,378**
Depreciation and amortisation	**55,974**	**1,012**	**10,753**	**-**	**67,739**
Impairment loss on:					
- Property plant and equipment	**4,669**	**-**	**-**	**-**	**4,669**
- Trade and other receivables	**255**	**18,930**	**223**	**-**	**19,408**
Reversal of impairment loss on:					
- Right-of-use assets	**-**	**-**	**(87)**	**-**	**(87)**
- Trade and other receivables	**(8,957)**	**(5,948)**	**(1,227)**	**-**	**(16,132)**
- Long term investments	**(305)**	**-**	**(13)**	**-**	**(318)**
Net loss on financial assets measured at amortised costs	**-**	**2,817**	**-**	**-**	**2,817**
Other non-cash (income)/expenses	**(19,499)**	**45**	**(143)**	**-**	**(19,597)**

37. SEGMENTAL INFORMATION (continued)

(a) Business Segments (continued)

The Group 1.1.2024 to 31.12.2024	Steel RM'000	Building materials RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Statements of Profit or Loss					
Revenue					
External revenue	855,627	621,977	183,926	-	1,661,530
Inter-segment revenue	270,714	8,063	17,911	(296,688)	-
Total revenue	1,126,341	630,040	201,837	(296,688)	1,661,530
Results					
Segment results	(264,240)	7,929	205	-	(256,106)
Finance costs	(21,149)	(1,375)	(2,842)	-	(25,366)
Share of results of associated companies	818	-	(24,719)	-	(23,901)
Gain arising from sale and leaseback transactions	220,740	-	-	-	220,740
Loss before tax					(84,633)
Tax expense					(272)
Loss for the year					(84,905)

37. SEGMENTAL INFORMATION (continued)

(a) Business Segments (continued)

The Group 31.12.2024	Steel RM'000	Building materials RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Statements of Financial Position					
Segment assets	1,331,428	373,394	372,090	-	2,076,912
Investment in associated companies and joint venture	9,488	-	348,580	-	358,068
Unallocated corporate assets					16,495
Total Assets					2,451,475
Segment liabilities	927,462	55,967	189,846	-	1,173,275
Unallocated liabilities					64,747
Total Liabilities					1,238,022
Other Information					
1.1.2024 to 31.12.2024					
Capital expenditure	29,015	323	13,360	-	42,698
Depreciation and amortisation	44,500	614	7,584	-	52,698
Impairment loss on:					
- Property, plant and equipment	18,557	-	-	-	18,557
- Right-of-use assets	21,166	-	-	-	21,166
- Trade and other receivables	430	6,923	5,426	-	12,779
Reversal of impairment loss on:					
- Property, plant and equipment	-	-	(665)	-	(665)
- Trade and other receivables	(7,639)	(1,728)	(157)	-	(9,524)
- Long term investments	(581)	-	(26)	-	(607)
Other non-cash expenses	60,828	64	772	-	61,664

37. SEGMENTAL INFORMATION (continued)

(b) Geographical Segments

The Group operates in two main geographical areas:

- Malaysia - manufacture and marketing of steel bars, wire rods, and steel related products, provision of chartering services, property development and management, trading and distribution of building materials and other steel products, manufacture and trading of lubricants products, distribution of petroleum products and automotive products, provision of transportation services and training services, distributing, retailing of consumer products and provision of electricity; and

- Other countries which are not sizable to be reported separately.

	Revenue	
	1.1.2025 to 30.6.2026	**1.1.2024 to 31.12.2024**
	RM'000	**RM'000**
Malaysia	**1,713,414**	1,633,950
Other countries	**13,472**	27,580
	1,726,886	1,661,530

	Total assets		Capital Expenditure	
			1.1.2025 to	**1.1.2024 to**
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysia	**1,959,633**	2,281,693	**63,785**	42,690
Other countries	**143,736**	169,782	**5**	8
	2,103,369	2,451,475	**63,790**	42,698

In determining the geographical segments of the Group, revenue is based on the country in which the customer is located. Total assets and capital expenditure are determined based on where the assets are located.

38. FINANCIAL GUARANTEE CONTRACTS

	The Company	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Corporate guarantee given to certain subsidiary companies for:		
- Deferred payables (Note 34)	**120,622**	120,622
- Trade payables and borrowings	**264,978**	350,910
	385,600	471,532

The corporate guarantees issued are not recognised in the financial statements as the Directors regard the value of the credit enhancement provided by these guarantees is minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

39. CAPITAL COMMITMENTS

At the end of the reporting period, the Group has the following capital commitments:

	The Group	
	30.6.2026	**31.12.2024**
	RM'000	**RM'000**
Purchase of property, plant and equipment and others:		
- Approved and contracted for	**8,830**	17,519
- Approved but not contracted for	**2,845**	3,134
	11,675	20,653

40. FINANCIAL INSTRUMENTS

Capital risk management

The objective of the Group's and of the Company's capital management is to safeguard the Group's and the Company's ability to continue as a going-concern while maximising the return to shareholders through the optimisation of debt and equity balance.

The capital structure of the Group and of the Company consists of net debts (borrowings offset by cash and cash equivalents) and equity of the Group and of the Company (comprising issued capital, reserves and non-controlling interests).

The Group's management reviews the capital structure of the Group on a regular basis. As part of this review, management considers the cost of capital and risk associated with each class of capital.

During the financial period, the Group incurred losses and recorded net cash outflow from operating activities. In response, management continues to actively monitor the Group's liquidity position and capital structure and has undertaken various initiatives to strengthen its financial position, including proposed asset disposal, asset rationalisation and monetisation initiatives, cost optimisation measures and the rescheduling of certain borrowings.

The Group's capital management objective remains focused on maintaining sufficient financial flexibility to support its operations and meet its obligations as and when they fall due.

40. FINANCIAL INSTRUMENTS (continued)

Gearing ratio

The gearing ratio at the end of the reporting period is as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Debt (i)	**142,591**	100,060	**3,901**	4,459
Cash and cash equivalents (excluding bank overdrafts)	**(91,583)**	(115,204)	**(777)**	(326)
Net debts/(cash)	**51,008**	(15,144)	**3,124**	4,133
Equity (ii)	**998,721**	1,213,453	**1,079,232**	1,195,819
Debt to equity ratio	**5.11%**	N/A*	**0.29%**	0.35%

* The Group was in net cash position, thus debt to equity ratio was not applicable.

(i) Debt is loans and borrowings as disclosed in Note 31.

(ii) Equity includes issued capital, reserves, and non-controlling interests.

Categories of financial instruments

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Fair Value Through Profit or Loss ("FVTPL"):				
Investment in money market funds	**2,576**	2,449	**-**	-
Fair Value Through Other Comprehensive Income ("FVTOCI"):				
Unquoted investments	**513**	513	**216**	216
Amortised cost:				
Trade receivables	**254,213**	320,838	**2,192**	-
Other receivables and deposits	**284,753**	335,988	**3,639**	2,262
Amount owing by subsidiary companies	**-**	-	**371,844**	484,908
Deposits, cash and bank balances	**120,316**	144,129	**4,434**	3,807

40. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments (continued)

	The Group		The Company	
	30.6.2026	31.12.2024	30.6.2026	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
At amortised cost:				
Trade payables	**306,253**	424,162	**26**	65
Other payables, deposits and accrued expenses	**315,766**	341,100	**3,813**	1,094
Amount owing to subsidiary companies	**-**	-	**148,529**	146,633
Lease liabilities	**120,551**	151,431	**10,547**	-
Loans and borrowings	**142,591**	100,060	**3,901**	4,459
Deferred payables	**120,622**	120,622	**-**	-

Financial risk management objectives and policies

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's and the Company's financial risk management principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

Various risk management policies are made and approved by the Board of Directors for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

Foreign currency risk

The Group and the Company undertake transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise.

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	The Group		The Company	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
30.6.2026				
United States Dollar	**6,882**	**18,528**	**-**	**-**
Chinese Renminbi	**26,972**	**4,429**	**8,836**	**7,630**
Others	**1,333**	**1,549**	**-**	**-**
	35,187	**24,506**	**8,836**	**7,630**

40. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments (continued)

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	The Group		The Company	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
31.12.2024				
United States Dollar	7,084	27,745	-	-
Chinese Renminbi	27,298	4,527	8,836	7,630
Others	1,348	13,131	-	-
	35,730	45,403	8,836	7,630

Foreign currency sensitivity analysis

The Group and the Company are mainly exposed to the foreign currencies of United States Dollar and Chinese Renminbi.

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Ringgit Malaysia against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting year for a 10% change in foreign currency rates. A positive number below indicates a gain in the profit or loss before tax and other equity where the Ringgit Malaysia strengthens 10% against the relevant currency. For a 10% weakening of the Ringgit Malaysia against the relevant currency, there would be a comparable impact on profit or loss before tax and other equity, the balances below would be negative.

	The Group		The Company	
	30.6.2026	31.12.2024	30.6.2026	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Profit or loss before tax				
United States Dollar	**1,165**	2,066	-	-
Chinese Renminbi	**44**	44	-	763
	1,209	2,110	**-**	763
Other equity				
Chinese Renminbi	**(2,299)**	(2,322)	**-**	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the year end exposure does not reflect the exposure during the financial period.

40. FINANCIAL INSTRUMENTS (continued)

Foreign currency sensitivity analysis (continued)

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on bank borrowings. The interest rates for the said bank borrowings are disclosed in Note 31.

The interest rates for the loans and borrowings and lease liabilities, which are fixed at the inception of the borrowing/financing arrangements, are disclosed in Notes 31 and 32 respectively.

Interest rate sensitivity analysis

The Group's exposures to interest rates on financial liabilities are detailed below. The sensitivity analysis below has been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's and the Company's profit or loss before tax for the period ended 30 June 2026 would decrease or increase by as follows:

	The Group		The Company	
	30.6.2026	**31.12.2024**	**30.6.2026**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Floating rate liabilities				
Bank overdrafts	**-**	13	**-**	-
Bills payables	**183**	377	**-**	-
Term loans	**494**	47	**20**	22
Receivables financing	**34**	61	**-**	-
	711	498	**20**	22

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

Trade and other receivables and corporate guarantees

The Group is exposed to credit risk mainly from trade and other receivables. The Group extends credit to its customers based upon careful evaluation on the customers' financial condition and credit history.

The Company is also exposed to credit risk resulting from the corporate guarantee given to financial institution for the granting of credit facilities to the subsidiary companies. The Company's maximum exposure to credit risk resulting from the corporate guarantee is disclosed in Note 38. The Company monitors on an ongoing basis the results of the subsidiary companies, and their repayments. As at the reporting date, there was no indication that these companies would default on repayment.

40. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

The Group's and the Company's exposure to credit risk in relation to their receivables, should all their customers fail to perform their obligations as of 30 June 2026, is the carrying amount of these receivables as disclosed in the statements of financial position. The concentration of credit risk is limited due to the fact that the customer base is large and did not exceed 10% of gross monetary assets at any time during the reporting period.

Deposits, cash and bank balances

Exposure to credit risk arising from deposits, cash and bank balances is managed by depositing or investing the Group's and the Company's funds with licensed financial institutions. The deposits, cash and bank balances that denominated in Chinese Renminbi which are held with bank and financial institutions in the PRC, rated A2 and Baa2 (31.12.2024: A2 and Baa2) respectively, based on Moody's Investors Service ratings.

Deposits, cash and bank balances have been assessed on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their deposits, cash and bank balances have low credit risk based on their external credit ratings.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's and of the Company's short-term, medium and long-term funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

During the financial period, the Group incurred losses and recorded net cash outflows from operating activities. As disclosed in Note 2, the Group's ability to maintain adequate liquidity continues to depend on the successful implementation of its asset disposal, rationalisation and monetisation initiatives, cost optimisation measures and the rescheduling of certain borrowings.

Management regularly reviews cash flow forecasts and funding requirements to ensure that sufficient liquidity is available to meet obligations as they fall due. The Group and the Company continue to actively monitor liquidity risk and implement measures to strengthen their liquidity position.

40. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The tables below summarise the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. The tables include both interest and principal cash flows.

The Group **30.6.2026**		**Within 1 year** RM'000	**More than 1 year but not exceeding 2 years** RM'000	**More than 2 years but not exceeding 5 years** RM'000	**More than 5 years** RM'000	**Total** RM'000	**Contractual interest rate** %
Financial liabilities							
Non-interest bearing:							
- Trade payables		**306,253**	**-**	**-**	**-**	**306,253**	**-**
- Other payables, deposits and accrued expenses		**257,148**	**-**	**-**	**-**	**257,148**	**-**
- Deferred payables		**-**	**-**	**-**	**120,622**	**120,622**	**-**
Interest bearing:							
- Other payables, deposits and accrued expenses		**13,540**	**-**	**-**	**-**	**13,540**	**11.75 - 12.00**
- Security deposits from non-current assets classified as held for sale		**50,980**	**4,465**	**-**	**-**	**55,445**	**9.60**
- Lease liabilities		**36,846**	**26,991**	**72,986**	**-**	**136,823**	**2.50 - 8.00**
- Loans and borrowings	*	**99,160**	**51,097**	**158**	**-**	**150,415**	**3.67 - 12.00**
		763,927	**82,553**	**73,144**	**120,622**	**1,040,246**	

* Included within the "within 1 year" maturity band is a term loan of RM33.5 million (31.12.2024: Nil) which was contractually repayable on 30 July 2026. Subsequent to the reporting date, the Group obtained the lender's approval to reschedule the repayment of the outstanding principal amount of RM33.5 million (31.12.2024: Nil) and extend the facility tenure to 31 December 2027. Under the revised repayment terms, the outstanding principal amount will be settled in instalments up to 31 December 2027. As the loan rescheduling arrangement was approved after the reporting date, the revised repayment profile has not been reflected in the maturity analysis above, which is based on contractual maturities existing as at 30 June 2026. The loan rescheduling is expected to reduce the Group's near-term repayment obligations and improve its liquidity position.

40. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The Group 31.12.2024	Within 1 year RM'000	More than 1 year but not exceeding 2 years RM'000	More than 2 years but not exceeding 5 years RM'000	More than 5 years RM'000	Total RM'000	Contractual interest rate %
Financial liabilities						
Non-interest bearing:						
- Trade payables	424,162	-	-	-	424,162	-
- Other payables, deposits and accrued expenses	277,967	-	-	-	277,967	-
- Deferred payables	-	-	-	120,622	120,622	-
Interest bearing:						
- Other payables, deposits and accrued expenses	17,524	-	-	-	17,524	11.75 - 12.00
- Security deposits from non-current assets classified as held for sale	50,931	3,346	-	-	54,277	9.60
- Lease liabilities	33,939	35,040	90,854	19,768	179,601	2.50 - 6.98
- Loans and borrowings	102,677	1,238	255	-	104,170	3.67 - 10.00
	907,200	39,624	91,109	140,390	1,178,323	

40. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The Company **30.6.2026**	**Within 1 year RM'000**	**More than 1 year but not exceeding 5 years RM'000**	**More than 5 years RM'000**	**Total RM'000**	**Contractual interest rate %**
Financial liabilities					
Non-interest bearing:					
- Trade payables	**26**	**-**	**-**	**26**	**-**
- Other payables, deposits and accrued expenses	**3,813**	**-**	**-**	**3,813**	**-**
- Amount owing to subsidiary companies	**148,529**	**-**	**-**	**148,529**	**-**
- Financial guarantee contracts	**385,600**	**-**	**-**	**385,600**	**-**
Interest bearing:					
- Lease liabilities	**2,188**	**6,563**	**4,375**	**13,126**	**8.00**
- Loans and borrowings	**4,244**	**-**	**-**	**4,244**	**7.60 - 10.00**
	544,400	**6,563**	**4,375**	**555,338**	
31.12.2024					
Financial liabilities					
Non-interest bearing:					
- Trade payables	65	-	-	65	-
- Other payables, deposits and accrued expenses	1,094	-	-	1,094	-
- Amount owing to subsidiary companies	-	146,633	-	146,633	-
- Financial guarantee contracts	471,532	-	-	471,532	-
Interest bearing:					
- Loans and borrowings	4,851	-	-	4,851	7.60 - 10.00
	477,542	146,633	-	624,175	

40. FINANCIAL INSTRUMENTS (continued)

Fair value of financial instruments

Except as detailed in the following table, the carrying amounts of the financial assets and the financial liabilities carried at amortised cost in the financial statements approximate their fair values.

	The Group			The Company		
	Carrying amount	Fair value		Carrying amount	Fair value	
30.6.2026	**RM'000**	**RM'000**		**RM'000**	**RM'000**	
Financial assets						
Investment in money market funds	**2,576**	**2,576**	#	**-**	**-**	
Unquoted investments	**513**	**513**	^	**216**	**216**	^
31.12.2024						
Financial assets						
Investment in money market funds	2,449	2,449	#	-	-	
Unquoted investments	513	513	^	216	216	^

\# The quoted market prices of investments as at the end of the reporting period are used to determine the fair values of this financial asset.

^ The fair values of unquoted investments are based on price quotes for similar instruments based on market observable inputs (Level 2) as quoted prices of identical instruments from an active market (Level 1) are not available.

40. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

Fair values of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting period are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
30.6.2026				
Financial assets				
Investment in money market funds	**2,576**	**-**	**-**	**2,576**
Unquoted investments	**-**	**513**	**-**	**513**
31.12.2024				
Financial assets				
Investment in money market funds	2,449	-	-	2,449
Unquoted investments	-	513	-	513
The Company				
30.6.2026				
Financial asset				
Unquoted investments	**-**	**216**	**-**	**216**
31.12.2024				
Financial asset				
Unquoted investments	-	216	-	216

There were no transfers between Levels 1, 2 and 3 during the financial period/year.

41. SIGNIFICANT EVENTS

(1) Amsteel Mills Sdn Bhd (“AMSB”), a 99% owned subsidiary of the Company, and Gelora Berkat Sdn Bhd (“GBSB”), a wholly-owned subsidiary of the Company, had on 1 September 2023 entered into separate conditional sale and purchase agreements with Unichamp Mineral Sdn Bhd (“Unichamp Mineral”) for the disposal of portions of their respective freehold land measuring 19.781 acres and 7.006 acres (collectively, the “Sale Lands”), for a cash consideration of RM67.96 million (“SPA 1”) and RM24.07 million (“SPA 2”), respectively (“Proposed Disposals”).

Subsequently on 4 September 2026:

(a) AMSB entered into a deed of amendment and restatement with Unichamp Mineral pursuant to which the cash consideration was amended to RM68.478 million and the sale land area in relation to SPA 1 was amended to 20.082 acres, and certain terms of the SPA 1 were amended ("Amended SPA 1"); and

(b) GBSB entered into a deed of amendment and restatement with Unichamp Mineral to amend certain terms of the SPA 2 ("Amended SPA 2").

(The Amended SPA 1 and Amended SPA 2 shall hereinafter be collectively referred to as the “Amended SPAs”.)

The rationale to enter into the Amended SPAs are to remove the inter-conditionality between SPA 1 and SPA 2 and to incorporate certain terms of the supplemental letters.

Pursuant to the Amended SPAs, Unichamp Mineral has the right to nominate a nominee to purchase the Sale Lands at the same purchase price and upon the same terms and conditions of the Amended SPAs. The nomination rights are exercisable by Unichamp Mineral from the date of the Amended SPAs up to the date of the fulfilment of the condition precedent relating to subdivision under the respective Amended SPAs.

Consequently, Unichamp Mineral had on 4 September 2026 given notice in writing to AMSB and GBSB respectively, nominating Compact Energy Sdn Bhd (“CESB”) to purchase the Sale Lands at the same price and upon the same terms and conditions contained in the Amended SPAs, to which CESB had entered into the Deed of Novation dated 4 September 2026 with Unichamp Mineral, AMSB and GBSB respectively.

The Proposed Disposals are pending fulfillment of conditions precedent.

41. SIGNIFICANT EVENTS (continued)

(2) AMSB entered into the following conditional agreements with RHB Trustees Berhad, the trustee for Axis Real Estate Investment Trust:

(a) Conditional sale and purchase agreement dated on 23 February 2024 in relation to the disposal of a piece of leasehold industrial land held under HS(D) 24277, PT 3501 (now known as Lot 25167) in Mukim of Kapar, District of Klang, State of Selangor measuring approximately 3.23 hectares together with the buildings erected thereon, for a disposal consideration of RM49.00 million ("Lot 1 Disposal").

The Lot 1 Disposal was completed on 31 May 2024 and subsequently leaseback by AMSB.

(b) Conditional sale and purchase agreements entered on 22 April 2024 in relation to the disposals of:

(i) 2 pieces of leasehold industrial land held under HS(D) 17795, PT 3494 (now known as Lot No. 25170) with the buildings erected thereon together with the fixtures and fittings attached thereto and HS(D) 31354, PT 17631 (now known as Lot No. 26953), both located in Mukim of Kapar, District of Klang, State of Selangor for a total disposal consideration of RM313.00 million to be satisfied entirely in cash and the subsequent leaseback by AMSB ("Proposed Disposal of Property 1").

The Proposed Disposal of Property 1 was deemed completed on 8 October 2024.

(ii) a piece of leasehold industrial land held under HS(D) 119721, PT 59358 (now known as Lot 62610), located in Mukim of Kapar, District of Klang, State of Selangor for a disposal consideration of RM38.80 million to be satisfied entirely in cash ("Proposed Disposal of Property 2").

The conditions precedent of the Proposed Disposal of Property 2 had been fulfilled on 6 December 2024 and the conditional sale and purchase agreement for the Proposed Disposal of Property 2 had become unconditional.

The Proposed Disposal of Property 2 was deemed completed on 6 January 2026.

41. SIGNIFICANT EVENTS (continued)

(3) Lion Waterfront Sdn Bhd, a wholly-owned subsidiary of Lion Posim Berhad ("LPB"), which is in turn, a listed subsidiary company of the Company, had on 18 May 2022 entered into a conditional development agreement ("Development Agreement") with Landasan Lumayan Sdn Bhd ("Landasan Lumayan"), a wholly-owned subsidiary of Menteri Besar Selangor (Pemerbadanan), to form an unincorporated joint venture to undertake a mixed residential and commercial development on a parcel of land to be alienated by the Selangor State Government to Landasan Lumayan measuring approximately 26.29 acres in Section 24, Shah Alam, Selangor ("Proposed Unincorporated Joint Venture").

In conjunction with the Proposed Unincorporated Joint Venture, LPB proposed to diversify the existing businesses of LPB and its subsidiary companies to include property development ("Proposed Diversification").

The Proposed Unincorporated Joint Venture and the Proposed Diversification shall collectively be referred to as the "Proposals".

The Shareholders of LPB had on 2 December 2022 approved the Proposals.

The Development Agreement has become unconditional on 18 May 2026. As such, the parties have proceeded to perform their obligations accordingly.

42. CONTINGENT LIABILITIES

During the financial period, Amsteel Mills Sdn Bhd ("AMSB"), a 99% owned subsidiary of the Company and Secomex Manufacturing (M) Sdn Bhd ("Secomex") and Lion Steel Sdn Bhd ("Lion Steel"), both wholly-owned subsidiaries of the Company, were notified by the Asian International Arbitration Centre ("AIAC") of arbitration proceedings commenced by a supplier in relation to alleged breaches of the respective gas supply agreements entered into between the parties.

The supplier is seeking, amongst others, declarations as to the validity and continuing effect of the relevant agreements (where applicable), payment of amounts allegedly due under the respective agreements and/or damages for alleged breach of contract, together with interest, costs and such further relief as the arbitral tribunal may deem appropriate. The principal amounts claimed are approximately RM96.4 million in respect of AMSB, RM0.3 million in respect of Secomex and RM23.9 million in respect of Lion Steel.

AMSB, Secomex and Lion Steel are respectively seeking legal advice on the merits of the supplier's claims and on the respective courses of action available to them. Based on legal advice, the outcome of the cases is uncertain at this preliminary stage and the likelihood of an outflow cannot be determined with sufficient reliability. Accordingly, no provision has been recognised in the financial statements.

43. SUBSIDIARY COMPANIES

The subsidiary companies are as follows:

Name of company	Principal place of business and place of incorporation	Percentage ownership 30.6.2026 %	Percentage ownership 31.12.2024 %	Principal activities
*Amble Legacy Sdn Bhd	Malaysia	**100**	100	Investment holding
Cendana Domain Sdn Bhd	Malaysia	**100**	100	Investment holding
*Crest Wonder Sdn Bhd	Malaysia	**100**	100	Investment holding
Lion Courts Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Lion Group Management Services Sdn Bhd	Malaysia	**52**[a]	52[a]	Provision of management services
*Lion Metal Industries Sdn Bhd	Malaysia	**100**	100	Provision of storage facilities
*Lion Motor Venture Sdn Bhd	Malaysia	**100**	100	Investment holding
LLB Enterprise Sdn Bhd	Malaysia	**94**	94	Dormant
LLB Harta (M) Sdn Bhd	Malaysia	**100**	100	Managing of debts denominated in Ringgit Malaysia novated from the Company and certain of its subsidiary companies pursuant to a debt restructuring exercise undertaken by the Company
LLB Nominees Sdn Bhd	Malaysia	**100**	100	Investment holding
*LLB Steel Industries Sdn Bhd	Malaysia	**100**	100	Investment holding

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 30.6.2026 %	Percentage ownership 31.12.2024 %	Principal activities
LLB Strategic Holdings Sdn Bhd	Malaysia	**100**	100	Investment holding
Malim Courts Property Development Sdn Bhd	Malaysia	**100**	100	Property development and investment holding
Mcken Sdn Bhd	Malaysia	**100**	100	Ceased operations
*Slag Aggregate Sdn Bhd	Malaysia	**100**	100	Investment holding
Sucorp Enterprise Sdn Bhd	Malaysia	**100**	100	Money lending and investment holding
Tahap Berkat Sdn Bhd	Malaysia	**100**	100	Investment holding
Subsidiary company of Amble Legacy Sdn Bhd				
*Tianjin Baden Real Estate Development Co Ltd (In voluntary liquidation)	People's Republic of China	**95**	95	Property development
Subsidiary company of Cendana Domain Sdn Bhd				
Cendana Aset Sdn Bhd	Malaysia	**100**	100	Real estate activities namely renting and leasing of land and building as well as plant and machinery
Subsidiary company of Cendana Aset Sdn Bhd				
*Secomex Manufacturing (M) Sdn Bhd	Malaysia	**100**	100	Ceased operations

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 30.6.2026 %	Percentage ownership 31.12.2024 %	Principal activities
Subsidiary company of Crest Wonder Sdn Bhd				
Lunas Cemerlang Sdn Bhd	Malaysia	**100**	100	Investment holding
Subsidiary companies of Lunas Cemerlang Sdn Bhd				
Lion Steel Sdn Bhd	Malaysia	**100**	100	Manufacturing and marketing of steel products
Formula Sepadu Sdn Bhd (Struck off on 14 September 2026)	Malaysia	**100**	100	Dormant
Kenari Juara Sdn Bhd (Struck off on 2 October 2026)	Malaysia	**100**	100	Dormant
Sendi Setara Sdn Bhd (Struck off on 2 October 2026)	Malaysia	**100**	100	Dormant
Subsidiary company of Lion Motor Venture Sdn Bhd				
*Tianjin Hua Shi Auto Meter Co Ltd (In voluntary liquidation)	People's Republic of China	**56**	56	Manufacturing of meters for motor vehicles and after sales services
Subsidiary companies of LLB Nominees Sdn Bhd				
*Holdsworth Investment Pte Ltd (Struck off on 16 March 2026)	Singapore	**-**	70	Investment holding
*Zhongsin Biotech Pte Ltd (Struck off on 16 March 2026)	Singapore	**-**	51	Investment holding

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 30.6.2026 %	Percentage ownership 31.12.2024 %	Principal activities
Subsidiary companies of LLB Steel Industries Sdn Bhd				
Lion Integrated Steel Sdn Bhd (Incorporated on 26 November 2025)	Malaysia	**100**	-	Manufacture and marketing of steel bars and wire rods
*Steelcorp Sdn Bhd	Malaysia	**99**	99	Investment holding
Subsidiary companies of Malim Courts Property Development Sdn Bhd				
Berkat Timor Sdn Bhd	Malaysia	**100**	100	Dormant
Inspirasi Elit Sdn Bhd	Malaysia	**85**	85	Property development
JOPP Builders Sdn Bhd	Malaysia	**100**	100	Dormant
LLB Bina Sdn Bhd	Malaysia	**100**	100	Construction works and property development
LLB Indah Permai Sdn Bhd	Malaysia	**100**	100	Property development
PM Holdings Sdn Bhd	Malaysia	**100**	100	Investment holding, property development and provision of management services
Soga Sdn Bhd	Malaysia	**99**	99	Property development
Sumber Realty Sdn Bhd	Malaysia	**100**	100	Investment holding and property development
Syarikat Pekan Baru Kemajuan Sdn Bhd	Malaysia	**100**	100	Dormant
Subsidiary company of Sucorp Enterprise Sdn Bhd				
Kisan Agency Sdn Bhd	Malaysia	**100**	100	Property development

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 30.6.2026 %	Percentage ownership 31.12.2024 %	Principal activities
Subsidiary companies of Tahap Berkat Sdn Bhd				
Gelora Berkat Sdn Bhd	Malaysia	**100**	100	Investment holding
Daya Focus Sdn Bhd (Acquired on 9 January 2026)	Malaysia	**100**	-	Investment holding
Subsidiary companies of PM Holdings Sdn Bhd				
Citibaru Sendirian Berhad	Malaysia	**100**	100	Dormant
Malim Jaya (Melaka) Sdn Bhd	Malaysia	**100**	100	Property development
Subsidiary company of Soga Sdn Bhd				
Batu Pahat Enterprise Sdn Berhad	Malaysia	**100**	100	Real estate development
Subsidiary company of Steelcorp Sdn Bhd				
Amsteel Mills Sdn Bhd	Malaysia	**100**	100	Manufacture and marketing of steel bars and wire rods
Subsidiary companies of Sumber Realty Sdn Bhd				
Projek Jaya Sdn Bhd	Malaysia	**100**	100	Investment holding
Seri Lalang Development Sdn Bhd	Malaysia	**100**	100	Dormant
Sharikat Pengangkutan East West Sdn Bhd	Malaysia	**100**	100	Dormant

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 30.6.2026 %	Percentage ownership 31.12.2024 %	Principal activities
Subsidiary companies of Amsteel Mills Sdn Bhd				
Amsteel Mills Marketing Sdn Bhd	Malaysia	**100**	100	Sale and distribution of steel products
*Amsteel Mills Realty Sdn Bhd	Malaysia	**100**	100	Ceased operations
Lion Posim Berhad ("LPB")	Malaysia	**74**[b]	74[b]	Investment holding
Lion Waterway Logistics Sdn Bhd	Malaysia	**100**	100	Stevedoring and related activities and to own, lease and operate ships barges and to enter into charter parties
*Lion Investment (A) Sdn Bhd	Malaysia	**100**	100	Investment holding
Subsidiary companies of LPB				
Intra Inspirasi Sdn Bhd	Malaysia	**100**	100	Investment holding
LFIB Agriculture (Cambodia) Sdn Bhd	Malaysia	**100**	100	Investment holding
*Lion AMB Resources Sdn Bhd	Malaysia	**100**	100	Investment holding
Lion Petroleum Products Sdn Bhd	Malaysia	**100**	100	Manufacturing of petroleum products

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 30.6.2026 %	Percentage ownership 31.12.2024 %	Principal activities
Subsidiary companies of LPB (continued)				
Posim Marketing Sdn Bhd	Malaysia	**100**	100	Trading and distribution of building materials and steel products
Posim Petroleum Marketing Sdn Bhd	Malaysia	**100**	100	Trading, distribution and e-commerce of petroleum and automotive products
*Lion Waterfront Sdn Bhd	Malaysia	**100**	100	Property development
Subsidiary company of Intra Inspirasi Sdn Bhd				
Brands Pro Management Sdn Bhd	Malaysia	**100**	100	Distribution and retailing of ACCA KAPPA products and other beauty and fashion brands
Subsidiary companies of LFIB Agriculture (Cambodia) Sdn Bhd ("BVI Companies")				
^Bright Triumph Investments Limited	British Virgin Islands	**100**	100	Investment holding
^Distinct Harvest Limited	British Virgin Islands	**100**	100	Investment holding
^Double Merits Enterprise Limited	British Virgin Islands	**100**	100	Investment holding
^Elite Image Investments Limited	British Virgin Islands	**100**	100	Investment holding
^Eminent Elite Investments Limited	British Virgin Islands	**100**	100	Investment holding

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 30.6.2026 %	Percentage ownership 31.12.2024 %	Principal activities
Subsidiary companies of LFIB Agriculture (Cambodia) Sdn Bhd ("BVI Companies") (continued)				
^Green Choice Holdings Limited	British Virgin Islands	**100**	100	Investment holding
^Radiant Elite Holdings Limited	British Virgin Islands	**100**	100	Investment holding
^Up Reach Limited	British Virgin Islands	**100**	100	Investment holding
Subsidiary companies of BVI Companies				
^Bright Triumph (Cambodia) Co., Limited	Cambodia	**100**	100	Investment and development in agriculture
^Distinct Harvest (Cambodia) Co., Ltd	Cambodia	**100**	100	Investment and development in agriculture
^Hi-Rev Lubricants (Cambodia) Co., Ltd	Cambodia	**100**	100	Wholesale of petroleum products and related products
^Eminent Elite (Cambodia) Co., Ltd	Cambodia	**100**	100	Investment and development in agriculture
^Green Choice (Cambodia) Co., Limited	Cambodia	**100**	100	Investment and development in agriculture
^Radiant Elite (Cambodia) Co., Ltd	Cambodia	**100**	100	Investment and development in agriculture

43. SUBSIDIARY COMPANIES (continued)

Name of company	Principal place of business and place of incorporation	Percentage ownership 30.6.2026 %	Percentage ownership 31.12.2024 %	Principal activities
Subsidiary companies of BVI Companies (continued)				
^Up Reach (Cambodia) Co., Limited (Dissolved on 11 December 2025)	Cambodia	**-**	100	Investment and development in agriculture
Subsidiary companies of Lion AMB Resources Sdn Bhd				
*AMB Venture Sdn Bhd	Malaysia	**100**	100	Investment holding
*CeDR Corporate Consulting Sdn Bhd	Malaysia	**100**	100	Provision of training services
Subsidiary companies of AMB Venture Sdn Bhd				
*Chrome Marketing Sdn Bhd	Malaysia	**100**	100	Investment holding
*Lion Tyre Venture Sdn Bhd (Dissolved on 27 March 2025)	Malaysia	**-**	100	Ceased operations
*Range Grove Sdn Bhd	Malaysia	**100**	100	Investment holding
Subsidiary company of Range Grove Sdn Bhd				
*Shanghai AMB Management Consulting Co Ltd	People's Republic of China	**100**	100	Provision of management services

43. SUBSIDIARY COMPANIES (continued)

* The financial statements of these companies are audited by auditors other than the auditors of the Company.

^ These subsidiary companies are inactive presently and no statutory requirement for the financial statements to be audited at the end of the financial period/year.

[a] 35% held by Sucorp Enterprise Sdn Bhd and 17% held by Posim Petroleum Marketing Sdn Bhd.

[b] 20% held by the Company and 54% held by Amsteel Mills Sdn Bhd.

44. ASSOCIATED COMPANIES

The associated companies of the Group are as follows:

Name of company	Financial year-end	Principal place of business and place of incorporation	Percentage ownership 30.6.2026 %	Percentage ownership 31.12.2024 %	Principal activities
Lion Insurance Company Limited	31 December	Malaysia	**41**	41	Captive insurance business
Parkson Holdings Berhad	31 December	Malaysia	**26**	26	Investment holding
Lion Titco Resources Sdn Bhd	31 December	Malaysia	**40**	40	Processing of steel slag and metal extraction
Lion Corporation Berhad	31 December	Malaysia	**21**	21	Investment holding
Lion Asiapac Limited	30 June	Singapore	**37**	37	Investment holding
Angkasa Amsteel (M) Sdn Bhd (Dissolved on 5 June 2025)	30 June	Malaysia	**-**	50	Trading and distribution of fabricated steel reinforcement bars

The financial statements of all the associated companies are audited by auditors other than the auditors of the Company.

45. COMPARATIVE FIGURES

The financial year end of the Company has changed from 31 December to 30 June to facilitate better management and coordination of resources in order to enhance business operations and financial planning. Accordingly, the current financial statements of the Group and of the Company are prepared for an 18-month period from 1 January 2025 to 30 June 2026, compared to the previous 12-month financial year ended 31 December 2024. As a result, the comparative figures stated in the statements of profit or loss, statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes of the Group and of the Company are not comparable.

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Tan Sri Cheng Heng Jem and Cheng Hui Ya, Serena, being two of the Directors of Lion Industries Corporation Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026 and of the financial performance and the cash flows of the Group and of the Company for the period then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 October 2026.

TAN SRI CHENG HENG JEM
Director

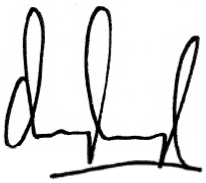
CHENG HUI YA, SERENA
Director

Kuala Lumpur

LION INDUSTRIES CORPORATION BERHAD
(Incorporated in Malaysia)

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, Ching Hong Seng (MIA Membership number: 19586), the officer primarily responsible for the financial management of LION INDUSTRIES CORPORATION BERHAD, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.



CHING HONG SENG

Subscribed and solemnly declared by the abovenamed CHING HONG SENG at Kuala Lumpur in the Federal Territory on the 8th day of October 2026.

Before me



SUITE 9.03, TINGKAT 9
MENARA RAJA LAUT
NO. 288 JALAN RAJA LAUT
50350 KUALA LUMPUR