



**QUALITY  
CONCRETE  
HOLDINGS  
BERHAD**

[199601005936 (378282-D)]



Annual Report  
**2025**



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Online Version  
The online version of 2025  
Annual Report can be viewed  
at [www.qchb.com.my](http://www.qchb.com.my)



# Corporate Information

## Corporate & Registered Office

Room 209, 2nd Floor, Wisma Bukit Mata Kuching,  
Jalan Tunku Abdul Rahman, 93100 Kuching,  
Sarawak.

Tel : +6 082-206 600

Fax : +6 082-206 607

Email : info@qchb.com.my

## Board Of Directors

Tiang Ching Kok  
(Executive Chairman)

Paul Chiam Tau Keen  
(Executive Director)

Felix Wong Khung Chui  
(Independent Non-Executive Director)

Lynda Chong Hui Lyn  
(Independent Non-Executive Director)

Pang Kim Soo  
(Independent Non-Executive Director)

Ir. Ha Tiuen Kiong  
(Non-Independent Non-Executive  
Director)

## Company Secretaries

Yeo Puay Huang  
[SSM PC No.202008000727 (LS0000577)]

Paul Chiam Tau Keen  
[SSM PC No.202008002707 (MIA14900)]

## Auditors

KPMG PLT  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Level 2, Lee Onn Building, Jalan Lapangan Terbang,  
93250 Kuching, Sarawak.

## Share Registrar

Securities Services (Holdings) Sdn. Bhd.  
Registration No. 197701005827 (36869-T)

Level 7, Menara Milenium, Jalan Damanlela,  
Pusat Bandar Damansara, Damansara Heights,  
50490 Kuala Lumpur  
Tel : +6 03-2084 9000  
Fax : +6 03-2094 9940

## Principal Bankers

CIMB Bank Berhad  
Hong Leong Bank Berhad  
Malayan Banking Berhad  
Public Bank Berhad  
United Overseas Bank (Malaysia) Berhad

## Stock Exchange Listing

Main Market  
Bursa Malaysia Securities Berhad  
Stock Code: 7544  
Stock Name: QUALITY



# Group's Financial Highlights

## Revenue (RM '000)

155,822

2025	155,822
2024	176,000
2023	208,486
2022	202,635
2021	141,734

## Total Assets (RM '000)

262,055

2025	262,743
2024	268,105
2023	269,925
2022	268,153
2021	235,090

## Shareholders Funds (RM '000)

78,561

2025	78,561
2024	87,748
2023	100,580
2022	104,524
2021	99,750

## Profit/(Loss) Before Tax (RM '000)

(4,890)

2025	(4,890)
2024	(10,068)
2023	1,310
2022	9,934
2021	3,357

## Profit/(Loss) Attributable To Owners Of The Parent (RM '000)

(8,045)

2025	(8,045)
2024	(11,223)
2023	(2,235)
2022	4,183
2021	(1,956)

## Earnings Per Share (Sen)

(13.88)

2025	(13.88)
2024	(19.36)
2023	(3.86)
2022	7.22
2021	(3.37)

# Corporate Structure



## QUALITY CONCRETE HOLDINGS BERHAD

[199601005936 (378282-D)] Incorporated in Malaysia

100%

**QUALITY CONCRETE SDN. BHD.** [198201012234 (091959-D)]  
Manufacturing and trading of ready-mixed concrete, concrete products and goods.

70%

**QUALITY CONCRETE (MUKAH) SDN. BHD.** [200201002659 (570322-P)]  
Inactive.

100%

**MEDTECH & HEALTH SDN. BHD.** [202001019371 (1375691-T)]  
Manufacturing and supply of health products.

100%

**AUDASA PHARMA SDN. BHD.** [202001011343 (1367663-V)]  
Manufacturing of pharmaceutical/ medical products.

100%

**KUTEX SDN. BHD.** [197201000177 (12880-T)]  
Investment Holding.

30%

**MULTI BRILLIANCE RESOURCES SDN. BHD.** [201501044915 (1170236-A)]  
Marketing of Multi Layer PVC Pipe.

100%

**QC CONSTRUCTION & ENGINEERING SDN. BHD.** [201101010175 (938314-K)]  
Civil & Structural Construction.

70%

**QC WORKS & ROAD MAINTENANCE SDN. BHD.** [201501020297 (1145633-H)]  
Road Maintenance.

70%

**QCCE AND ASAS ULUNG JV SDN. BHD.** [201901029604 (1338933-T)]  
Road Maintenance.

100%

**QCCE MATERIAL SUPPLIES SDN. BHD.** [202001025979 (1382299-X)]  
Manufacturing of Asphalt Premix.

100%

**POLYFLOW PIPES SDN. BHD.** [199001005833 (197401-H)]  
Manufacturing and trading of polyethylene pipes and fittings.

100%

**LEE LING TIMBER PRODUCTS SDN. BHD.** [198901010350 (187652-K)]  
Sawmilling and manufacturing of downstream timber products.

100%

**HONG WEI HOLDINGS SDN. BHD.** [198201010291 (90015-K)]  
Property development and construction.

100%

**SERI BUMIJAYA SDN. BHD.** [200601010796 (730546-K)]  
Trading in Cement.

100%

**AGROWELL SDN. BHD.** [198501001653 (134100-V)]  
Quarry operations and trading of aggregates and related products.

100%

**ENRICH FORTRESS SDN. BHD.** [201001023121 (906892-M)]  
Investment in property.

55%

**POLYFLOW (B) SDN. BHD.\*** (AGO/RC/6372/05)  
Manufacturing of polyethylene pipes for purposes of supply and trade.

\* Incorporated in Brunei Darussalam

60%

**EXL PIPE (BORNEO) SDN. BHD.** [201601025306 (1196245-X)]  
Manufacturing and trading of Multi Layer PVC Pipe.





# Group Executive Chairman's Statement and Management Discussion & Analysis



**Tiang Ching Kok** *Group Executive Chairman*

The financial year ended 31 January 2025 unfolded in a challenging and complex operating environment, testing the Group's resilience and adaptability. Amid escalating geopolitical uncertainties and trade tensions with most notably the U.S. Reciprocal Tariffs policy announced in April 2025 where the inflationary pressures intensified across Malaysia's economy. These developments underscored the urgency of our strategic response, prompting us to accelerate operational restructuring and efficiency enhancement initiatives. Through these efforts, we remain firmly focused on strengthening our competitive position and advancing long-term, sustainable growth.

## Introduction

It is with great honour that I present the Group Executive Chairman's Statement for QC Group for the financial year ended 31 January 2025. Despite a volatile economic climate and persistent operational headwinds across our core sectors, QC Group demonstrated unwavering commitment to its strategic priorities. Guided by integrity, sustainability, and a steadfast focus on long-term value creation, we remained resolute in delivering meaningful results for all stakeholders.

## Navigating Challenges and Building Resilience

Throughout the year, we confronted market volatility, elevated material costs, and persistent supply chain disruptions particularly impacting our construction and manufacturing segments. Nevertheless, QC Group responded with agility, applying strong financial discipline, proactive risk management, and close collaboration with clients, suppliers, and government stakeholders to ensure uninterrupted progress on our key projects.

Our diversified business portfolio encompassing construction, manufacturing, and property development played a pivotal role in buffering external shocks. Each segment contributed significantly to the Group's overall performance, reinforcing our mission to deliver impactful infrastructure and development solutions that uplift communities and drive national advancement.

## Operational Review:

### Navigating a Challenging Year with Strategic Focus

The past financial year posed significant challenges, with the Group recording an 11.5% revenue decline (RM20.2million), primarily due to underperformance in the Construction Division. Despite this, we made notable progress across key business segments, reinforcing our strategic direction and commitment to resilience.

## Construction Division:

### Core Contributor with Strategic Expansion

The Construction Division, which remains the backbone of the Group and primarily serves government agencies, continued to generate steady revenue through major ongoing projects. These include long-term concession agreements for road maintenance, bridge construction, and critical infrastructure upgrades. We also expanded our presence in the water infrastructure segment by submitting proposals and forming strategic partnerships to design, build, and operate water treatment plants, particularly in underserved areas of Sarawak. These efforts signal our readiness to tap into high-impact, government-driven opportunities aligned with national priorities.

## Manufacturing Division:

### Balancing Growth with Cost Challenges

Our Manufacturing Division delivered mixed results. The HDPE pipe manufacturing unit experienced strong growth, driven by Sarawak Water Authority's ongoing pipe replacement project. However, our ready-mixed concrete and precast operations were adversely affected by rising raw material costs and supply constraints.

In response, we implemented strategic measures to improve plant efficiencies, strengthen procurement processes, and optimize inventory controls. Concrete waste was repurposed where feasible, and efforts were made to pursue alternative sourcing strategies for critical materials such as cement and aggregates. Collaborations with internal audit teams were initiated to address spending trends that have outpaced revenue, especially in raw material procurement, ensuring greater accountability moving forward.

# Group Executive Chairman's Statement and Management Discussion & Analysis (Contd.)

## Property Development Division:

### Focused Growth Amid Market Caution

The Property Development Division adopted a cautious yet strategic approach, focusing on niche and mixed-use developments that align with evolving urban needs. While activity in this segment was moderate due to ongoing economic uncertainty, we remain optimistic about its long-term prospects, especially in township developments that offer sustainable growth opportunities.

## Road Maintenance and Other Operations:

### Pockets of Stability and Pressure

Road maintenance works under concession agreements remained a stable revenue stream, bolstered by increased instructed and emergency works throughout the year.

Conversely, segments such as Ready-Mixed Concrete and Timber Products faced headwinds from sluggish local and international demand, leading to a decline in revenues. These market conditions reflect broader external pressures but also highlight areas for potential improvement and repositioning.

### Strengthening the Foundation for Recovery

While these results reflect the challenging external environment, they also demonstrate our proactive approach to risk management and strategic execution. We successfully reduced our loss before tax (LBT) by RM5.2 million this year through cost control initiatives, enhanced operational execution, and improved efficiency. However, we recognize that a more substantial turnaround will require time, careful planning, and disciplined implementation of our recovery roadmap.

Looking ahead, we remain focused on maintaining financial discipline, enhancing project delivery, and mitigating cost overruns. We will continue to evaluate new opportunities with prudence and work to stabilize our revenue base through diversification into higher-margin segments and improved supply chain strategies. Sustainability and Future Outlook: Building a Resilient,

### Responsible Future

At QC Group, we recognise that our responsibilities extend far beyond financial results which encompass the well-being of our planet, the people we serve, and the integrity with which we operate. Sustainability is no longer a standalone initiative; it is embedded at the core of our strategy and business operations.

Throughout the year, we have intensified our efforts to integrate Environmental, Social, and Governance (ESG) practices across all divisions, reinforcing our commitment to regulatory compliance, innovation, and ethical

business conduct. In alignment with the latest Bursa Malaysia Sustainability Reporting Guidelines, we have strengthened our climate-related financial disclosures and enhanced visibility into our environmental footprint, with active tracking and reporting in the following areas:

- **Energy Consumption and Emissions** – Monitoring and improving energy efficiency to reduce our carbon footprint.
- **Water Usage** – Managing and conserving water resources responsibly across all operations.
- **Waste Management** – Minimising construction waste through recycling and reuse initiatives.

We understand that transparent ESG reporting is vital to maintaining stakeholder trust. Therefore, we continue to refine our data collection and monitoring systems to ensure accountability and measurable impact.

Our sustainability efforts are further supported by forward-looking policies and initiatives. During the year, we began formulating a **Group-wide Sustainable Energy Policy**, targeting reduced energy use across our construction and manufacturing activities. In tandem, we are actively exploring the adoption of **renewable energy solutions, green building materials, and responsible water management practices** throughout our projects.

Looking ahead, we are focused on positioning QC Group for long-term, sustainable success through several key strategies:

- **Adopting DBOT (Design, Build, Operate, Transfer) Models**  
To enhance efficiency and sustainability in delivering public infrastructure projects.
- **Forming Strategic Collaborations**  
With leading technology providers to deploy innovative, scalable water treatment solutions.
- **Strengthening Governance and Financial Controls**  
To support responsible growth and regulatory compliance.
- **Driving Operational Excellence and Digital Transformation**  
By integrating smart technologies and data-driven practices to enhance performance across all segments.

As we navigate a rapidly evolving business landscape, our commitment to sustainability will continue to shape the way we build, grow, and deliver value — for our shareholders, our communities, and future generations.

### Appreciation

On behalf of the Board of Directors, I would like to extend our heartfelt appreciation to our clients, government partners, shareholders, and employees. Your unwavering support and trust have enabled QC Group to deliver on its mission even during uncertain times. I also thank our senior management, internal audit, and finance teams for their commitment to upholding transparency and accountability.



# Group Executive Chairman's Statement and Management Discussion & Analysis (Contd.)

## Management Discussion and Analysis

QC Group is a publicly listed entity on the Main Market of Bursa Malaysia Securities Berhad. The Group operates a diversified portfolio centred around two key segments: **Manufacturing** and **Construction & Property Development**. The following analysis outlines the strategic roles, performance highlights, challenges, and forward-looking opportunities within each business segment.

### A. Manufacturing Segment

The Manufacturing segment is a core pillar of QC Group's operations, contributing significantly to infrastructure development across Sarawak and beyond. It comprises four specialized divisions:

#### I. Ready-Mixed Concrete (RMC) Division

The Ready-Mixed Concrete (RMC) Division forms a vital component of QC Group's manufacturing operations, with a well-established operational footprint comprising four strategically located batching plants across Sarawak in Kuching, Sibu, Mukah, and Batang Lagan. This extensive network allows the Group to provide timely and efficient service coverage to major urban and semi-urban areas, reinforcing its logistical advantage and responsiveness to client demands. The division's core offerings include custom-grade ready-mixed concrete tailored to meet diverse project specifications, as well as precast concrete piles that are integral to foundational works. These products cater to a broad spectrum of construction needs, supporting both government-driven infrastructure developments and private sector projects.

As such, the RMC Division plays a crucial role in enabling large-scale construction undertakings throughout the state, including highway networks, commercial and residential building developments, and various public infrastructure upgrades.

#### II. Pipes Division

The Pipes Division of QC Group is a key contributor to the Group's manufacturing segment, offering a specialized product portfolio that supports critical infrastructure systems across Sarawak. The division produces High-Density Polyethylene (HDPE) pipes, widely utilized for water reticulation and as protective channels for underground utilities such as telecommunications and electrical cabling.

In addition, the division manufactures multi-layer Unplasticized Polyvinyl Chloride (UPVC) pipes, engineered with high-impact resistance to meet the demanding requirements of sewerage networks and water supply systems. These products are essential components in municipal infrastructure, playing a pivotal role in water distribution, flood mitigation, and utility service provision in both urban and rural developments.

A key growth driver for this division lies in the increasing demand generated by government-led infrastructure renewal initiatives, particularly the Sarawak Water Authority's ongoing pipe replacement programs. These initiatives not only contribute to public service reliability but also provide a steady and recurring revenue stream, reinforcing the Pipes Division's long-term value proposition within QC Group's diversified portfolio.

#### III. Timber Division

The division's core activities encompass the production and supply of sawn timber for both domestic and export markets, as well as the manufacturing of engineered wood products such as wooden flooring, custom doors, and window frames.

In line with QC's broader Environmental, Social, and Governance (ESG) initiatives, the division is committed to sustainability through proactive waste management practices, including the reuse of offcuts, recycling of sawdust, and repurposing of wood shavings. Despite the challenges posed by a slowdown in export demand, the division remains resilient by optimizing its cost structures and actively exploring new market opportunities to sustain growth and competitiveness.



# Group Executive Chairman's Statement and Management Discussion & Analysis (Contd.)

## IV. Premix Division

As part of its strategic expansion, the Group has recently ventured into the production of hot mix asphalt to support ongoing and future road construction projects. This new capability includes the manufacturing of high-quality hot mix asphalt for public roads and infrastructure, enabling seamless collaboration with the Road Maintenance Division for more integrated and efficient project delivery. The move also strengthens vertical integration within the Group, enhancing operational synergy and providing greater control over key inputs for its road development and rehabilitation contracts.

## B. Construction & Property Development Segment

This segment anchors QC Group's long-term growth trajectory, with a mix of project execution capabilities and land assets for development.

### 1. Property Development Division

The Group currently holds a land bank of approximately 200 acres in strategic growth areas in Kuching, Sarawak and Johor Bahru in Peninsular Malaysia. In FY2025, no new property launches were undertaken, reflecting a prudent stance in light of ongoing macroeconomic uncertainties and stagnation in the housing market.

The division continues to face challenges such as muted buyer demand and delays in regulatory approvals, which have postponed the monetization of land assets and heightened dependence on the timely launch and completion of projects for revenue generation. Nevertheless, the Group remains well-positioned to capitalize on future opportunities. Once market conditions stabilize, it plans to unlock value through mid-income housing developments and mixed-use township projects, with a strategic focus on aligning with Sarawak's urbanization initiatives and infrastructure expansion, particularly in Kuching's city fringe areas.

### 2. Construction Division

The construction division is currently executing three ongoing projects, all scheduled for completion within the next financial year. In Q1 of FY2026, the division secured three new contracts valued at RM295 million, significantly strengthening its project pipeline. However, the operating environment remains challenging, with rising input costs particularly for cement, steel, and diesel which place pressure on profit margins. Labour shortages, especially in specialized trades, continue to limit scalability, while project timelines are frequently impacted by adverse weather conditions, regulatory delays, and persistent supply chain disruptions.

Despite these hurdles, the division is well-positioned to capitalize on national infrastructure priorities, including the Sarawak-Sabah Link Road, JENDELA broadband expansion, and various flood mitigation and water infrastructure upgrades. Furthermore, potential involvement in strategic infrastructure projects such as Kuching's proposed deep-sea port and new airport presents opportunities for long-term order book growth.

## C. Road Maintenance Division

Under a 10-year concession commencing on 1 January 2020, the Group is responsible for the maintenance of state roads in Sri Aman and Betong. The division faces several operational challenges, including the impact of extreme weather particularly monsoon floods which accelerates road degradation and drives up the frequency and cost of repairs. Additionally, aging road infrastructure, built to outdated engineering specifications, requires more intensive maintenance efforts. Cost pressures are further compounded by rising prices of materials and labour, which are not always reflected in the fixed rates of long-term contracts for instance, asphalt prices have risen by approximately 15% since 2020. The division also contends with heightened public expectations, such as the demand for pothole repairs within 48 hours. Labour shortages in key technical areas like asphalt laying, drainage, and road safety installation present further constraints.

Despite these challenges, the division sees strong opportunities ahead. Government plans to expand concession scopes could lead to increased recurring income, while the Group's solid performance and operational track record position it well for the 2028 concession renewal and future bids for federal road maintenance projects, including sections of the Pan Borneo Highway.

### Outlook and Strategic Direction for FYE 2026

We remain cautiously optimistic about our growth trajectory, while fully acknowledging the continued presence of economic headwinds and structural challenges within the market. We anticipate that revenue pressures will persist, driven by delayed government budget disbursements, rising input costs, intensified competition for public infrastructure contracts, and a generally conservative fiscal environment. In response, the Group is undertaking proactive measures to reposition itself for a more resilient and sustainable recovery.

A key strategic priority is to intensify efforts to secure higher-margin infrastructure and concession-based projects, particularly in sectors that promise long-term income stability and robust returns. These include road maintenance, water treatment infrastructure, and

## Group Executive Chairman's Statement and Management Discussion & Analysis (Contd.)

essential public works where QC Group can leverage its technical competencies and emerging strategic alliances. The Group is also actively evaluating opportunities under public-private partnership (PPP) frameworks, with a growing emphasis on playing an integrated role in the project value chain through potential adoption of DBOT (Design, Build, Operate, Transfer) or DBO (Design, Build, Operate) models, where appropriate.

Simultaneously, QC Group is reinforcing its financial discipline and internal governance by strengthening inter-company controls and operational oversight across all subsidiaries. This entails enhancing budget planning processes, tightening financial authorisation thresholds, improving procurement management, and streamlining reporting structures to ensure greater accountability and transparency. A critical area of focus remains the containment of inefficiencies, particularly in raw material procurement and project execution, which have adversely affected profitability in previous years.

Recognising the transformative potential of technology, the Group is also investing in digitalisation to bolster operational visibility, cost tracking, and project oversight. Key initiatives include the adoption of advanced digital project management tools, enhancements to

enterprise resource planning (ERP) systems, and the implementation of real-time dashboards to enable more agile and informed decision-making across all levels of the organisation.

In tandem, QC Group is exploring new business models and strategic collaborations within the water infrastructure sector. Through ongoing engagements with established technology providers, the Group aims to diversify its revenue base by expanding into municipal and rural water treatment solutions. This includes the deployment of modular systems, containerised units, and hybrid treatment models tailored to underserved communities. By aligning with national and state-level priorities for sustainable and inclusive water access, QC Group aspires to create both commercial value and lasting social impact.

While the external landscape remains uncertain, the Group's strengthened financial position, sharpened operational focus, and deepening strategic partnerships form a strong foundation for gradual recovery and long-term value creation. The Board and Management remain firmly committed to restoring profitability through disciplined execution, sound governance, and sustained value delivery for all stakeholders.

This section provides an analysis of our performance across these core segments, outlines the key factors impacting our results, and highlights our strategic initiatives moving forward.

### Financial Position Analysis

	31 January 2025 RM'000	31 January 2024 RM'000	Variance %
Non-current assets	108,297	116,186	(6.8)
Current assets	154,446	151,919	1.7
Total assets	262,743	268,105	(2.0)
Equity attributable to the owner of the Company	78,561	87,748	(10.5)
Non-current liabilities	11,310	12,940	(12.6)
Current liabilities	169,475	166,366	1.9
Total liabilities	180,785	179,306	0.8

As at 31 January 2025, the Group recorded total non-current assets of RM108.3 million, representing a 6.8% decline compared to RM116.2 million in the previous financial year. The reduction in non-current assets was primarily attributable to the depreciation of the Group's property, plant, and equipment, which reduced the net carrying value of these assets over time.

On the liabilities side, the Group's non-current liabilities stood at RM11.3 million, reflecting a decrease of 12.6% from RM12.9 million in the preceding year. This decline was mainly due to the repayment of loans and borrowings during the financial year, in line with the Group's ongoing efforts to manage long-term debt and strengthen its financial position.

Meanwhile, equity attributable to the owners of the Company decreased by 10.5%, from RM87.7 million in FY2024 to RM78.6 million in FY2025. The reduction in equity was largely driven by the losses incurred during the year, which were in turn caused by a decline in revenue and a rise in operational costs. The higher cost of operations was mainly due to delays in the completion and handover of several projects, which resulted in the extension of time (EOT) and subsequently delayed revenue recognition while continuing to incur fixed and project-related expenses. These factors collectively impacted the Group's profitability and shareholders' equity for the year under review.

## Group Executive Chairman's Statement and Management Discussion & Analysis (Contd.)

### Financial Performance Review

	31 January 2025 RM'000	31 January 2024 RM'000	Variance %
Revenue	155,822	176,000	(11.5)
Gross Profit	12,586	10,424	20.7
Other income	5,911	3,038	94.6
Other operating expenses	(17,445)	(17,526)	(0.5)
Loss before taxation	(4,890)	(10,068)	(51.4)
Loss for year	(6,944)	(10,793)	(35.7)

### Revenue Breakdown by sectors and segment

	31 January 2025 RM'000	31 January 2024 RM'000	Variance %
<b>Manufacturing</b>			
- Ready-Mixed concrete	35,864	39,572	(9.4)
- HDPE & M-PVC pipes	19,619	8,650	126.8
- Timber products	4,264	8,117	(47.5)
- Premixed	30	-	>100
	59,777	56,339	6.1
<b>Construction contract</b>	50,065	78,555	(36.2)
<b>Road maintenance</b>	44,397	39,960	11.1
<b>Trading</b>	1,583	1,111	42.6
<b>Property development</b>	-	35	<100
<b>Total Revenue</b>	<b>155,822</b>	<b>176,000</b>	<b>(11.5)</b>

### Revenue Performance

For the financial year ended 31 January 2025, the Group reported a year-on-year revenue decline of 11.5%, largely attributable to a significant 36.2% contraction (RM28.4 million) in its Construction and Engineering segment. Despite this downturn, the Group's diversified business portfolio comprising Manufacturing (38.4%), Construction (32.1%), and Road Maintenance (28.5%) provided a buffer against sector-specific volatility. Notably, the combined growth in the Manufacturing and Road Maintenance segments offset approximately 36% of the RM28.4 million revenue shortfall in Construction, underscoring the strength of the Group's integrated business model.

The Construction segment recorded RM50.1 million in revenue (FYE2024: RM78.6 million), reflecting a 36.2% decline year-on-year. This contraction was primarily due to project lifecycle mismatches, as several legacy projects including bridge construction and residential development had reached their tail-end, contributing to an estimated 70% of the decline. Simultaneously, newly secured infrastructure upgrade contracts were still in early mobilisation or preliminary design stages, causing

delays in revenue recognition by approximately 6 to 12 months. Furthermore, slower tender approvals and intensified pricing competition in public infrastructure projects, particularly those governed by strict budgetary constraints, further compounded the sector's performance challenges.

### Manufacturing Sector Performance

The Group's Manufacturing division posted a robust recovery in the current year, largely propelled by the High-Density Polyethylene (HDPE) pipes division, which recorded an impressive 126.8% year-on-year growth. This growth was fuelled by increasing demand stemming from Sarawak's comprehensive water infrastructure enhancement plans, which include a RM1.1 billion pipe replacement initiative and a RM6.0 billion rural treated water supply programme spanning the next five years. However, the overall performance of the Manufacturing sector was moderated by underperformance in two key product lines Ready-mixed concrete and Timber products. Revenue from Ready-mixed concrete declined by 9.4% to RM35.9 million, while Timber products revenue fell sharply by 47.5% to RM4.3 million, largely due to weak demand and increased market competition.



## Group Executive Chairman's Statement and Management Discussion & Analysis (Contd.)

### Road Maintenance Sector Performance

The Road Maintenance division posted a strong performance with revenue rising to RM44.4 million, an 11.1% increase from the previous year. This growth was driven by a higher volume of Instructed Works and Emergency Repairs, in addition to the Group's ongoing Routine Maintenance contracts. The increased scope of work contributed positively to both revenue and profit for the segment.



## Gross Profit

Despite the overall decline in revenue, the Group's gross profit improved by 20.7% year-on-year. This was mainly achieved through better cost optimisation strategies, including streamlined operations, tighter control over wastage, and enhanced operational efficiency across all business units. The Road Maintenance division, in particular, was a standout contributor, posting a gross profit of RM8.7 million, which marked a RM2.8 million improvement over the previous financial year.

## Other Income

Other income for the year increased significantly by RM2.9 million, reaching RM5.9 million (FYE2024: RM3.0 million). The primary contributor to this increase was a RM3.6 million insurance settlement related to damage caused by marine vessel incidents during the Group's bridge construction works. This one-off gain helped bolster the Group's income and partially offset operational shortfalls in other segments.

## Operating Expenses

The Group's other operating expenses, comprising primarily staff costs and depreciation of property, plant and equipment, stood at RM17.4 million for the current financial year, down slightly from RM17.5 million in FYE2024, reflecting a 0.5% decrease. This reduction was in line with the Group's cost-rationalisation efforts, including headcount optimisation and asset revaluation exercises.

## Loss Before Taxation

While the Group continued to register a loss before taxation, it successfully reduced the loss by 51.4% compared to the previous financial year. This improvement was achieved through a combination of procurement streamlining, reduced overheads, and successful renegotiation of supplier contracts, which collectively improved cost efficiency. Additionally, improved profitability from the Road Maintenance division and the RM3.6 million insurance claim provided further relief, softening the impact of revenue contraction in the Construction and Timber segments.

## Directors' Profile



**TIANG CHING KOK**  
*Executive Chairman*

Aged 51    Male    Malaysian



**PAUL CHIAM TAU KEEN**  
*Executive Director*

Aged 55    Male    Malaysian



**IR. HA TIUEN KIONG**  
*Non-Independent  
Non-Executive Director*

Aged 57    Male    Malaysian

Mr. Tiang Ching Kok was appointed to the Board on 2 January 2002. He graduated with a Bachelor of Commerce degree from Deakin University, Australia in 1996 and joined Earthmover Group of Companies in 1996 as Executive Director and was responsible for the overall management of the group. His valuable management experience in sawmilling and logging activities is an asset to QC Group as one of QCHB's subsidiaries, Lee Ling Timber Products Sdn. Bhd., is also involved in the timber business. Mr. Tiang is also a director to all of the QCHB's subsidiaries. He has no other personal interest in any business arrangement involving the Company, except for those disclosed on pages 111 to 113 of this Annual Report. He attended all the four (4) Board Meetings held in the financial year ended 31 January 2025. He has no convictions for any offences within the past 5 years.

Mr. Paul Chiam was appointed to the Board on 18 June 2020. He holds a Master of Business Administration from Heriot-Watt University, UK and is a qualified member of Malaysian Institute of Accountants, CPA Australia and Chartered Tax Institute of Malaysia. He joined Quality Concrete Holdings Berhad ("QCHB") as Group Finance Manager on 7th January 2005 and was later promoted to the role of both Group General Manager and Chief Financial Officer. Prior to joining QCHB he has worked in an international accounting firm for more than 8 years with extensive experience in audit and also various corporate exercises such Merger and Acquisition, Corporate Privatisation and Initial Public Offer. He does not have any family relationship with any director and/or major shareholder of QCHB, nor any personal interest in any business arrangement involving the Company. He has attended all four (4) Board Meetings held in the financial year ended 31 January 2025. He has no convictions for any offences within the past 5 years.

Ir. Peter Ha was appointed to the Board on 29 October 2012 as an Independent Non-Executive Director. He was redesignated as Non-Independent Non-Executive Director on 12 May 2022. He obtained his Master degree in Engineering Science in Civil Engineering from University of New South Wales in 1993 majoring in structural engineering. He is a qualified engineer and member of the Institution of Engineers Malaysia. Mr Ha has more than 22 years of experience in civil engineering works especially in the design of bridges and has involved in various bridge construction projects in Sarawak. Currently, he is a Director of a construction company and also the Principal of Peter Ha Consulting firm. He does not have any family relationship with any director and/or major shareholder of QCHB, nor any personal interest in any business arrangement involving the Company. He attended all the four (4) Board Meetings held in the financial year ended 31 January 2025. He has no convictions for any offences within the past 5 years.

## Directors' Profile (Contd.)



**PANG KIM SOO**  
Independent  
Non-Executive Director

Aged 68 Male Malaysian

Member of Audit Committee

Chairman of Remuneration  
& Nomination Committee



**FELIX WONG KHUNG CHUI**  
Independent  
Non-Executive Director

Aged 54 Male Malaysian

Chairman of Audit Committee

Member of Remuneration  
& Nomination Committee



**LYNDA CHONG HUI LYN**  
Independent  
Non-Executive Director

Aged 44 Female Malaysian

Member of Audit Committee

Member of Remuneration  
& Nomination Committee

Mr. Pang Kim Soo was appointed to the Board on 2 September 2014. Mr Pang obtained his Bachelor of Science in Building from the University of South Bank, (formerly known as Polytechnic of South Bank) United Kingdom in 1981. He has extensive experience in the building industry having involved in it for the past 30 years. He is also the shareholder and executive director of several companies that are in trading, property development and services activities. Mr Pang has also previously served in Majlis Bandaraya Kuching Sarawak ("MBKS") as a councilor and advisor for 12 years. He does not have any family relationship with any director and/or major shareholder of QCHB, nor any personal interest in any business arrangement involving the Company. He has attended all the four (4) Board Meetings held in the financial year ended 31 January 2025. He has no convictions for any offences within the past 5 years.

Mr. Felix Wong was appointed to the Board on 20 April 2018. Mr Felix Wong graduated from Monash University, Melbourne, Australia with a degree in Bachelor of Commerce majoring in Accounting. He is a qualified member of Malaysia Institute of Accountants, CPA Australia, Malaysian Institute of Certified Public Accountant and Chartered Tax Institute of Malaysia. He has been in public practice for more than 22 years mostly dealing with matters pertaining to audit and tax. Currently, Mr. Felix Wong is the managing partner of Felix Wong & Co., an approved licensed audit firm. He does not have any family relationship with any director and/or major shareholder of QCHB, nor any personal interest in any business arrangement involving the Company. He has attended all four (4) Board Meetings held in the financial year ended 31 January 2025. He has no convictions for any offences within the past 5 years.

Ms. Lynda Chong was appointed to the Board on 18 June 2020. She graduated from the University of Portsmouth in year 2003 with BEng Civil Engineering degree. She is a registered PEng with Board of Engineers Malaysia and also a member of the Institution of Engineers Malaysia. Ms Lynda Chong brings with her 19 years of experience in civil engineering works in the field of design and construction of roadworks and drainage. She started her career as a Design Engineer with a local engineering firm for 5 years before took up a position with Bolton Hennessy Sdn Bhd in Brunei where she was later promoted to the rank of Associate. Currently, she is the Director of Jurutera Perunding Lyn and also the shareholder and director of Jurutera Perunding Promanag Sdn Bhd. She does not have any family relationship with any director and/or major shareholder of QCHB, nor any personal interest in any business arrangement involving the Company. She has attended all four (4) Board Meetings held in the financial year ended 31 January 2025. She has no convictions for any offences within the past 5 years.

# Profile of Key Management

## **DAVID GOH HONG CHIANG**

*Group Chief Operating Officer*  
Aged 56, Male, Malaysian

Mr. David Goh graduated with a Bachelor Degree in Economics at Macquarie University, Australia. He began his career as an Officer with Arab-Malaysian Finance Bhd. He joined QCHB in May 1999, and was promoted to Group Chief Operating Officer on 2nd January 2006. He is the brother in law to Mr Tiang Ching Kok, the Managing Director of QCHB. He has no convictions for any offences within the past 5 years.

## **IR. LAU KIING CHUONG**

*General Manager, Property Division*  
Aged 73, Male, Malaysian

Ir. Lau Kiing Chuong graduated with a Bachelor of Civil Engineering Degree from University of Roorke, India. He is a Professional Engineer to the Board of Engineers Malaysia and also member of Institute of Engineers, Malaysia. He was appointed as General Manager of the Property Development Division on 1st December 2002. He has vast experiences in the construction and civil works having been involved in various residential and commercial development project, and infrastructure work. He does not have any family relationship with any director and/or major shareholder of QCHB. He has no convictions for any offences within the past 5 years.

## **TIANG CHING WHU**

*General Manager, Timber Division*  
Aged 54, Male, Malaysian

Mr Tiang Ching Whu graduated with a degree in Marketing & Finance from Curtin University, Australia. He joined the Company in 1997 as Marketing Executive to prepare yearly and other periodic marketing plan. He is also assisting General Manager in carrying out marketing strategies and undertake market research on competitor's products. In September 2007, he was promoted to General Manager to oversee the operations of the company. He is also responsible for marketing to develop sales and marketing strategies for the company, analyse the current market trends and result, production planning and determine manpower, equipment and raw materials needed to cover production demand. He does not have any family relationship with any director and/or major shareholder of QCHB. He has no convictions for any offences within the past 5 years.

## **WONG TECK FONG**

*Project Manager Cum Operation Manager, Road Maintenance Division*  
Aged 50, Male, Malaysian

Mr. Wong Teck Fong graduated with a Degree in Civil Engineering from The University of Birmingham, United Kingdom in year 1998. He is a member of Institute Engineering Malaysia and also a Graduate Engineer with Board of Engineer Malaysia. He joined QCCE AND ASAS ULUNG JV SDN BHD in January 2023 as Project Manager cum Operation Manager. He has over 24 years of experience in the construction industry involving roads, road maintenance, building, pipe-laying, sewerage and drainage. He does not have any family relationship with any director and/or major shareholder of QCHB. He has no convictions for any offences within the past 5 years.

## **LING KIENG KING**

*General Manager, Ready Mixed Concrete Division*  
Aged 52, Male, Malaysian

Mr. Ling Kieng King graduated with a degree in Business Management in Iowa Wesleyan University, USA. He joined Quality Concrete Sdn. Bhd. In 2017 as a procurement manager and was promoted to General Manager in year 2020. He does not have any family relationship with any director and/or major shareholder of QCHB. He has no convictions for any offences within the past 5 years.

## **LEI KO HOO**

*Contract Manager, Construction Division*  
Aged 52, Male, Malaysian

Mr. Lei Ko Hoo graduated with a certificate in Quantity Surveying from Tunku Abdul Rahman College, Kuala Lumpur in 1995. He has over 25 years of experience in the construction industry involving building and infrastructure projects. He joined QC Construction & Engineering Sdn Bhd in 2011. He does not have any family relationship with any director and/or major shareholder of QCHB. He has no convictions for any offences within the past 5 years.

## **KUAN YUNG CHIEN**

*Group Accountant*  
Aged 42, Male, Malaysian

Mr. Kuan Yung Chien is a member of Malaysian Institute Of Accountants. He is also a fellow member of Association of Chartered Certified Accountants (UK). He joined Quality Concrete Holdings Berhad in 2008. He does not have any family relationship with any director and/or major shareholder of QCHB. He has no convictions for any offences within the past 5 years.



# Audit Committee Report

The Board of Directors of Quality Concrete Holdings Berhad is pleased to present the report of the Audit Committee of the Board for the year ended 31 January 2025.

The Audit Committee was established by a resolution of the Board on 7 October 1996.

## MEMBERS AND MEETINGS

The members of the Audit Committee during the year comprised the directors listed below. During the year ended 31 January 2025, the Audit Committee held a total of four (4) meetings.

Name	Status of directorship	Independent	Attendance of meetings
Felix Wong Kung Chui	Independent Non-Executive Director	Yes	Attended 4 out of 4 meetings held
Pang Kim Soo	Independent Non-Executive Director	Yes	Attended 4 out of 4 meetings held
Lynda Chong Hui Lyn	Independent Non-Executive Director	Yes	Attended 4 out of 4 meetings held

## TERMS OF REFERENCE

### Membership

The Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, all of whom shall be non-executive directors. The majority of the Committee members shall be independent directors with at least one of whom shall be a member of the Malaysian Institute of Accountants or a member who fulfils the requirements stated in Paragraph 15.09 (1) (c) (ii) and Practice Note No. 13/2002, (Paragraph 7) of the listing requirements of the Bursa Malaysia Securities. The Chairman of the Audit Committee shall be an independent non-executive director appointed by the Board.

No former key audit partner shall be appointed as a member of the Committee before observing a cooling-off period of at least two (2) years.

### Meetings and minutes

Meetings shall be held not less than four (4) times a year and the Group Executive Director, Group Internal Auditor and a representative of the external auditors shall normally be invited to attend the meetings. Other members of the Board may attend the meetings upon the invitation of the Audit Committee. At least once a year, the Audit Committee shall meet the external auditors without any executive directors present. A quorum shall be two (2) members present and a majority of whom must be independent directors. Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and of the Board. The Chairman of the Audit Committee shall report on each meeting to the Board. The Secretary to the Audit Committee shall be the Company Secretary.

## Audit Committee Report (Contd.)

### Authority

In carrying out their duties and responsibilities, the Audit Committee shall have the authority:

- i. to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group;
- ii. to have the resources which are required to perform its duties and to obtain independent professional or other advice it deems necessary;
- iii. to have full and unrestricted access to information pertaining to the Company and the Group;
- iv. to have direct communication channels with the internal and external auditors; and
- v. to obtain external legal or other independent professional advice as necessary.

Notwithstanding anything to the contrary hereinbefore stated, the Audit Committee does not have executive powers and shall report to the Board of Directors on matters considered and its recommendations thereon, pertaining to the Company and the Group.

### Responsibility

Where the Audit Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities, the Audit Committee has the responsibility to promptly report such matter to the Bursa Malaysia Securities Berhad.

### REVIEW OF THE COMPOSITION OF THE AUDIT COMMITTEE

The term of office and performance of the Audit Committee and each of the members shall be reviewed by the Board of Directors annually to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

### Key Functions and Duties

The key functions and duties of the Audit Committee are:

- i. to consider the appointment, resignation and dismissal of external auditors and the audit fee;
- ii. to review the nature and scope of the audit with the internal and external auditors before the audit commences;
- iii. to review the quarterly and annual financial statements of the Company and the Group focusing on the matters set out below, and thereafter to submit them to the Board:
  - any changes in accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and regulatory requirements.
- iv. to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss;
- v. to review the audit reports prepared by the internal and external auditors, the major findings and management's responses thereto;

## Audit Committee Report (Contd.)

- vi. to review the adequacy of the scope, functions and resources of the internal and management audit department and whether it has the necessary authority to carry out its work;
- vii. to consider the report, major findings and management's response thereto on any internal investigations carried out by the internal auditors;
- viii. to review any appraisal or assessment of the performance of executive(s) in the internal and management audit department;
- ix. to approve any appointment or termination of senior executive(s) in the internal and management audit department;
- x. to be informed of any resignation of executives in the internal and management audit department and to provide the resigning executive an opportunity to submit his/her reason for resignation;
- xi. to review the evaluation of the systems of internal control with the auditors;
- xii. to review the assistance given by the Company's and the Group's employees to the auditors;
- xiii. to review related party transactions entered into by the Company and the Group to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures with regards to such transactions are sufficient; and
- xiv. any such other functions as may be agreed to by the Audit Committee and the Board.

### ACTIVITIES OF THE AUDIT COMMITTEE DURING THE YEAR

In line with the terms of reference of the Audit Committee, the following activities were carried out by the Audit Committee during the year ended 31 January 2025 in the discharge of its functions and duties:

- i. review of the audit plans for the year for the Company and the Group prepared by the internal and external auditors;
- ii. review of the audit reports for the Company and the Group prepared by the internal and external auditors and consideration of the major findings by the auditors and management's responses thereto;
- iii. review of the quarterly and annual reports of the Company and the Group prior to submission to the Board of Directors for consideration and approval;
- iv. review of the disclosure on related party transactions entered into by the Company and the Group in the annual report of the Company;
- v. review of the Circular to shareholders in relation to the General Mandate for recurring related party transactions before recommending it for the Board of Directors' approval;
- vi. commissioning of special reviews on specific areas of financial operations of the Group; and
- vii. meet with the external auditors in the absence of management except the Company Secretary.

## Audit Committee Report (Contd.)

### INTERNAL AUDIT FUNCTIONS

The Company has an Internal and Management Audit Department whose principal responsibility is to undertake regular and systematic reviews of the systems of controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Company and the Group. The Department is also responsible for the conduct of regular and systematic reviews of environmental, safety and health issues in the Company and the Group. The attainment of such objective involves the following activities being carried out by the Department:

- i. reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls and promoting effective control in the Company and the Group at reasonable cost;
- ii. ascertaining the extent of compliance with established policies, procedures and statutory requirements;
- iii. ascertaining the extent to which the Company's and the Group's assets are accounted for and safeguarded from losses of all kinds;
- iv. appraising the reliability and usefulness of information developed within the Company and the Group for management;
- v. recommending improvements to the existing systems of controls;
- vi. carrying out audit work in liaison with the external auditors to maximise the use of resources and for effective coverage of audit risks;
- vii. carrying out investigations and special reviews requested by management and/or the Audit Committee of the Company; and
- viii. identifying opportunities and recommend to improve the operations of and processes in the Company and the Group.

The costs incurred for the internal audit function of the Group for financial year ended 31 January 2025 was RM111,300.

This Audit Committee Report was approved by the Board on 29 May 2025



# Corporate Governance Overview Statement

The Board of Directors ("Board") of Quality Concrete Holdings Berhad ("the Company") is committed in ensuring that the practice of good corporate governance in the conduct of the businesses and affairs of the Company and its subsidiaries ("the Group"). The Board views the maintenance of good corporate governance is essential for sustainable long-term performance and value creation.

The Board is pleased to present this Corporate Governance ("CG") Overview Statement to the shareholders and investors on the application of CG Practices of the Group during the financial year ended 31 January 2025. This statement is to be read together with the CG Report which is available on the Company's website and also through the Company's announcement to Bursa Malaysia.

A summary of the CG practices as well as the Board's key focus areas in relation to the Malaysian Code On Corporate Governance ("MCCG") principle are described below.

## BOARD LEADERSHIP AND EFFECTIVENESS

### Board Responsibilities

The Board is responsible for the oversight and overall management of the Group. The principal responsibilities are as follows:

- review and adopt strategic plan, as developed by Management of the Group, annual budgets and long-term business plans, taking into account the sustainability of the Group's business;
- oversee the conduct and governance of the Group's business and evaluating whether or not its businesses are being properly managed;
- identify principal business risks faced by the Group, and ensuring the implementation of appropriate internal control systems to manage such risks;
- overseeing the succession planning and human resource plan;
- maintaining shareholder and investor relations for the Company; and
- review the adequacy and integrity of the Group's internal control systems.

The Board has delegated specific responsibilities to Four (4) Board Committees, namely the Audit Committee, Nominating & Remuneration Committee, Risk Management Committee and Sustainability Committee to examine specific issues within their respective terms of reference. The final decision is the responsibility of the Board after considering the recommendations of the respective committee.

### Role of Chairman and Independent Directors

The Executive Chairman is responsible for the day to day running of the business operation of the Group with the support of a team of Management staff. Although the Chairman is an executive director, its independence is still maintained. The current composition of Independent Non-Executive Directors in the Board, which comprises half of Board members, provides for pertinent check and balance in the Board such that no one Director has unfettered powers in decision making.

The Chairman of the meeting is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. As the Managing Director, he implements the Group's strategic initiatives, policies and decision adopted by the Board and oversees the operations and business development of the Group.

The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgement on interests, not only of the Company, but also of shareholders and stakeholders. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. The Board recognizes the importance of establishing criteria on independence to be used in the annual assessment of its Independent Non-Executive Directors. The definition on independence accords with the MMLR of Bursa.

## Corporate Governance Overview Statement (Contd.)

### Qualified and Competent Company Secretaries

The Board is regularly updated and advised by the joint Company Secretaries, who are qualified, experience and competent on statutory and regulatory requirements, on the resultant implications of any changes in regulatory requirements to the Company and Directors in relation to their duties and responsibilities. The joint Company Secretaries oversee adherence to Board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators, as well as any changes to regulatory requirements that may affect the Company and the Board.

### Board Meetings

The Board meets at least four times (4) annually, with additional meetings being convened as and when necessary.

For the Board to deliberate effectively on agenda of meetings, relevant meeting papers or proposals will be furnished prior to and in advance of each meeting. This enables the Board to study the facts and have productive discussion and make informed decision at the meeting. At each Board meetings, the Board reviews the business performance of the Group and discusses major strategic, operational, compliance and financial issues. The Chairman of the Audit Committee briefs the Directors at each Board meeting the salient matters deliberated by the Audit Committee and which require the Board's attention or direction, including approval, as the case may be. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings, which are confirmed by the Chairman at the next meeting.

Minutes of proceedings and resolutions passed at each Board and Board Committees Meetings are kept in the minutes book at the registered office of the Company. In the event of a potential conflict of interest, the Director in such position will make a declaration to that effect as soon as practicable. The Director concerned will then abstain from any decision-making process in which he has an interest in.

During the financial year under review, four (4) Board meetings were held. Details of the attendance of the Directors at the Board Meetings are disclosed in their respective personal profiles set out as follows:-

Directors	No. of meetings attended
Tiang Ching Kok	4 out of 4
Ha Tiuen Kiong	4 out of 4
Pang Kim Soo	4 out of 4
Felix Wong Khung Chui	4 out of 4
Lynda Chong Hui Lyn	4 out of 4
Paul Chiam Tau Keen	4 out of 4

### Supply of, and access to, information

All Directors are provided with an agenda and a set of Board papers prior to Board meetings. This is issued in sufficient time to enable the Directors to prepare and deliberate on the issues prior to the meeting.

Senior Management members are also invited to attend Board Meetings to provide the Board with their views and explanation on certain agenda items tabled to the Board, and to clarify on issues that have been raised by Directors.

All Directors have access to the advice and services of the Company Secretaries, who is responsible for ensuring that Board Meeting procedures are adhered to and that applicable rules and regulations are complied with. The Board is updated and advised by the Company Secretaries from time to time on new statutes and directives issued by the regulatory authorities.

In addition, the Directors may obtain independent professional advice in the furtherance of their duties, at the Company's expense.

## Corporate Governance Overview Statement (Contd.)

### Board charter

The Company has adopted a Board Charter, setting out, inter-alia, the roles of the Board, Board Committees, Executive and Non-Executive Directors and Management. The Charter, which serves as a reference point for Board's activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company, also contains a formal schedule of matters reserved to the Board for deliberation and decision so that the control and direction of the Company's businesses are in its hands. The Board Charter is published on the Group's website at [www.qchb.com.my](http://www.qchb.com.my).

### Code of conduct and Ethics

The Board Charter sets out a Code of Ethics to be observed by Directors. As for the conduct of employees, the Board has formalized an Employees Handbook to be observed by employees in the Group. The Board is aware of the need for adherence to the Code of Conduct and Employees' Handbook by Directors of the Company and employees in the Group respectively, and will take measures to put in place a process to ensure its compliance.

### Whistle-blower Policy

The Board has adopted Whistle-Blowing Policies and Procedures, which outline when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of regulatory requirements involving employee, Management or Director in the Group.

### The Nominating & Remuneration Committee

The Nominating & Remuneration Committee ('NRC'), established by the Board with specific terms of reference, comprises the following Independent Non-Executive Directors as its members:

- Mr Pang Kim Soo (Chairman);
- Mr Felix Wong Khung Chui and
- Ir. Lynda Chong Hui Lyn

The key responsibilities of the NRC are as follows:

- a) Reviewing the structure, size and composition of the Board, the Board Committees.
- b) Recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the director should bring to the Board.
- c) Annual assessment on the effectiveness of the Board as a whole, the Board Committees and the contribution of each director.
- d) Reviewing remuneration packages for Directors and Senior Managements.

During the financial year under review, the Nominating Committee met once, attended by all members. During the meetings and as at the date of this Statement, the Nominating Committee has carried out the following activities within its terms of reference and reported the outcome to the Board:

- evaluated the re-appointment of Directors, and recommended to the Board for approval;
- reviewed training undertaken by Directors as well as those training that are available for Directors for the ensuing year; and
- conducted annual evaluation of the Board's effectiveness and performance covering the assessment of the Board, each individual Director, each Board Committee, and independence of the Independent Directors.

## Corporate Governance Overview Statement (Contd.)

### Selection and assessment of Directors

Where considered appropriate, the NRC considers recommendation for directorship by shareholders or existing directors. Based on its terms of reference, the Nominating Committee carries out the assessment process regardless of whether the candidate is for new appointment or re-appointment. The final decision on the appointment of a candidate recommended by the Nominating Committee rests with the Board. The Company Secretary ensures that all appointments are properly made upon obtaining all necessary information from the Director.

### Composition of the Board

There are currently Six (6) Directors on the Board comprising of two (2) Executive Directors and three (3) Independent Non-Executive Directors and one (1) Non Independent Non Executive Director. This provides the desired level of objectivity and independence in Board deliberations and decision making. The Board composition complies with Chapter 15.02 of the Main Market Listing Requirements which require a minimum of 2 or 1/3 of the Board to be independent directors. The profile of each Director is set out in this Annual Report.

### Tenure of Independent Directors

The Board recognizes the importance of independence and objectivity in its decision making process and is mindful of the recommendation of the Principles in MCCG on limiting the tenure of independent directors to nine (9) years. The Board Charter sets out the restriction on the tenure of an independent director to cumulative term of nine (9) years. However, an Independent Director may continue to serve the Board upon reaching the nine (9) years limit.

In the event the Board intends to retain the Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval through a two-tier voting process at general meeting. In justifying the decision, the Nomination & Remuneration Committee is entrusted to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence and to disclose the reasons for retaining him/her as independent director in the Notice of Annual General Meeting.

### Board Diversity

The Board has no specific policy on diversity of its members in terms of gender, age or ethnicity or target set to achieve a blend of these attributes, but believes that the Company should be appointing Directors who have the relevant skills, experience, knowledge, integrity, character and time to contribute towards realising the Company's objectives.

### Directors' remuneration

The NRC, is responsible for determining the level and make up of Executive Directors' remuneration for Quality Concrete Holdings Berhad and its subsidiaries so as to ensure that the Group attracts and retains the Directors of the necessary caliber, experience and quality needed to run the Group successfully.



## Corporate Governance Overview Statement (Contd.)

Details of Directors' remuneration for the financial year ended 31 January 2025 are as follows:

### Company

Category	Fees RM'000	Salaries RM'000	Allowances RM'000	Bonus RM'000	Defined Contribution Plan RM'000	Benefits in Kind RM'000	Total Remuneration RM'000
<b>Executive Directors</b>							
Tiang Ching Kok	12	-	-	-	-	4	16
Paul Chiam Tau Keen	12	-	-	-	-	-	12
<b>Non-Executive Directors</b>							
Ha Tuen Kiong	12	-	-	-	-	-	12
Pang Kim Soo	12	-	12	-	-	-	24
Felix Wong Khung Chui	12	-	12	-	-	-	24
Lynda Chong Hui Lyn	12	-	12	-	-	-	24
<b>Total</b>	<b>72</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>112</b>

### Group

Category	Fees RM'000	Salaries RM'000	Allowances RM'000	Bonus RM'000	Defined Contribution Plan RM'000	Benefits in Kind RM'000	Total Remuneration RM'000
<b>Executive Directors</b>							
Tiang Ching Kok	120	693	24	5	87	41	970
Paul Chiam Tau Keen	72	401	18	-	80	11	582
<b>Non-Executive Directors</b>							
Ha Tuen Kiong	36	-	-	-	-	-	36
Pang Kim Soo	12	-	12	-	-	-	24
Felix Wong Khung Chui	12	-	12	-	-	-	24
Lynda Chong Hui Lyn	12	-	12	-	-	-	24
<b>Total</b>	<b>264</b>	<b>1,094</b>	<b>78</b>	<b>5</b>	<b>167</b>	<b>52</b>	<b>1,660</b>

The remuneration packages of the Senior Management Personnel are determined by taking into considerations on individual responsibilities, skills, expertise, experiences and contributions to the Group's performance. It is essential to offer competitive and sufficient remuneration packages to ensure executive talents' retention. The Board is of the view that it would not be beneficial to the Company to disclose the Key Senior Management Personnel's remuneration on named basis, which might raise negative impact to maintain a stable working environment for long-term strategic goals.

## Corporate Governance Overview Statement (Contd.)

### *Directors' Training – Continuing Education Programmes*

The Board is mindful of the importance for its members to undergo continuous training to be apprised of changes to regulatory requirements and the impact such regulatory requirements have on the Group.

All the Directors of the Company have attended the Mandatory Accreditation Programme conducted by Bursa Malaysia Training Sdn Bhd within the stipulated timeframe required by the MMLR of Bursa.

During the financial year under review, Directors attended the following training:

- BEM Roadshow 2024-Sarawak
- Board of Directors: Navigating Resilience via ESG Strategy
- Do You Have What It Takes to Survive on the Battlefield of Construction Disputes?
- E-invoicing Latest Updates
- Foundation Training on ISO 37001:2016 - Anti Bribery System (ABMS)
- Improving Organisation Financial Position to Secure Financing
- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
- Payment to Directors-What's Allowed & What's Disallowed
- Section 17A Malaysian Anti-corruption Commission Act 2009 & Adequate Procedures
- Tax Deductible Expenses-Principles & Latest Developments
- The Beneficial Ownership Reporting Framework for Companies Based on the Companies (Amendments) Act 2024

The Directors are notified periodically by the Company Secretary on the types of training courses available in the market that the Directors may consider attending in order to enhance their skills and knowledge in the discharge of their stewardship role.

## **EFFECTIVE AUDIT AND RISK MANAGEMENT**

### **Uphold integrity in financial reporting by the Company**

The Board is committed to providing a balanced, clear and representative assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of Group's results to Bursa, the annual financial statements of the Group and Company as well as the message to shareholders in the Annual Report.

### **Audit Committee("AC")**

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising exclusively Independent Non-Executive Directors, chaired by Mr Felix Wong Khung Chui, who is a member of the Malaysian Institute of Accountants. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report included in this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

The terms of reference of the Audit Committee include a policy on the types of non-audit services permitted to be provided by the external auditors of the Company so as not to compromise their independence and objectivity. In assessing the independence of external auditors, the Audit Committee obtains assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants and International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants.

## Corporate Governance Overview Statement (Contd.)

### *Risk Management and Internal Control*

The Board acknowledges its responsibility of maintaining a good system of internal control and risk management, and for reviewing regularly the adequacy and effectiveness of the risk management and internal control system to ensure that shareholders' investment and the Group's assets are safeguarded. This system can only provide reasonable, but not absolute assurance against any material misstatements, fraud or loss.

The Statement on Risk Management and Internal Control in this Annual Report provides an overview of the management of risk and state of internal controls within the Group.

### *Relationship with External Auditors*

The AC has an appropriate and transparent relationship with the external auditors. The role of the AC in relation to the external auditors and the assessment of external auditors by the AC are set out in the Audit Committee Report of this Annual Report.

### *Internal Audit Function*

The Internal Audit function reports directly to the Audit Committee. The activities carried out by the Internal Audit Department are set out in the Audit Committee Report of this Annual Report.

## **INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

### *Communication and engagement with shareholders*

The Board recognises the importance of being transparent and accountable to the Company's investors and, as such, has various channels to maintain communication with them. The various channels are through the quarterly announcements on financial results to Bursa, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website where shareholders can access pertinent information concerning the Group.

### *Annual General Meeting*

The Annual General Meeting ("AGM"), which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question and answer session was held where the Chairman invited shareholders to raise questions with responses from the Board.

The Notice of AGM is circulated at least twenty eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general. All the resolutions set out in the Notice of the last AGM were put to vote by show of hands and duly passed. The outcome of the AGM was announced to Bursa on the same meeting day.

### *Electronic Communications*

The Board recognises the importance of an effective communication channel and timely dissemination of accurate information pertaining to the Group's business activities and financial performance to its shareholders, investors and other stakeholders.

The Group's financial results, announcements, annual report and circulars are the primary modes of disseminating information in relation to the Group's business activities and financial information and this can be assessed from the Company's website at [www.qchb.com.my](http://www.qchb.com.my) or Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## Corporate Governance Overview Statement (Contd.)

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors are required by the Act to prepare financial statement for the financial year which has been made out in accordance with the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and the Company and of their financial performance and cash flows for the financial year ended then.

In preparing the financial statements of the Company and the Group, the Directors have adopted suitable accounting policies and applying them consistently, have made judgements and estimates that are reasonable and prudent and ensuring applicable accounting standards have been complied with.

All financial results required for announcement to Bursa Securities by the Board are release within the stipulated timeframe.

This Corporate Overview Statement is made in accordance with a resolution of the Board dated 27 May 2025.

### **Additional Information**

#### **Utilisation of Proceeds**

During the financial year, there were no proceeds raised from any corporate proposal.

#### **Share Buybacks**

The Company did not carry out any share buy-backs during the financial year.

#### **Options, Warrants or Convertible Securities**

There was no exercise of Options or Convertible Securities or conversion of warrants during the financial year.

#### **American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR") Programme**

The Company did not sponsor any ADR or GDR programme during the financial year.

#### **Imposition of Sanctions/Penalties**

There were no material sanction or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.



## Corporate Governance Overview Statement (Contd.)

### Audit and Non-Audit Fees

The amount of audit and non-audit fees paid and payable to external auditors by the Group for the financial year ended 31 January 2025 is as follows:

	Company RM	Group RM
Audit Fees	80,000	368,000
Non Audit Fees		
- Review of Statement on Risk Management & Internal control	10,000	10,000
- Others	-	-
	90,000	378,000

### Variation in Results

There is no material variance between the financial results and the unaudited results previously made for the financial year ended 31 January 2025.

### Profit Guarantee

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

### Material Contracts

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

# Statement on Risk Management and Internal Control

The Board of Directors of Quality Concrete Holdings Berhad ("Board") is pleased to provide the following statement outlining the nature and scope of risk management and internal control of the Group pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements and Principle B of the Malaysian Code on Corporate Governance.

## Board Responsibility

The Board acknowledges the importance of having an effective internal control system and a well structured risk management framework to safeguard the interest of shareholders, customers, employees and as well as the Group's assets. The Board understands its overall responsibility for establishing an efficient and effective system of internal control covering not only financial controls but also relating to operational, compliance and risk management and for reviewing the adequacy and integrity of the system. However, due to the limitations that are inherent in any system of risk management and internal control, those systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established an ongoing process for identifying, evaluating and managing the principal risks faced, or potentially exposed to, by the Group in pursuing its business objectives. The process is being continually monitored and reviewed for its adequacy and effectiveness to ensure it is in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## Risk Management Framework

The Board and Management are proactive in identifying significant risks associated with its business processes. The Risk Management Committee was established in April 2004 to coordinate the implementation of an enterprise-wide risk management programme for the Group. The Committee is made up of two (2) representatives from the Board and the Management representatives from the respective subsidiaries.

During the year, reviews have been conducted to assess and re-evaluate the risk profiles identified by the respective business units within the Group as well as assessing the effectiveness of the controls in place to address those risks.

## Internal Audit Function

The Board acknowledges the importance of internal audit function and has in place an internal audit unit which is to report directly to the Audit Committee on a quarterly basis. The internal audit function adopts a risk-based approach in developing its audit strategy and plan which focuses on identifying principal risks affecting the achievement of the Group's business objectives, assessing the likelihood and impact of these risks, evaluating the effectiveness of the existing controls in place and formulating action plans to improve the internal control system. During the year, scheduled internal audit visits were carried out by the internal audit unit based on the audit plan presented to and approved by the Audit Committee. The Internal Auditor usually reports to the Audit Committee on areas for improvement and will subsequently follow up to ensure that corrective actions on reported weaknesses are remedied within the required time frame by Management of the respective subsidiaries.

As part of the ongoing process, the Internal Auditor has conducted detailed risk audits on the following areas as identified in the approved audit plan and other ad-hoc requests by the Audit Committee:

- (a) Review of Management Performance
- (b) Review of Financial Position of On-going Projects
- (c) Review of Economic, Social, and Governance
- (d) Review of Administrative Issues on Claim Submission to JKR
- (e) Review of Administrative Issues on Subcontractors Claim

## Statement on Risk Management and Internal Control (Contd.)

### Key Elements of Internal Control

The Group has also put in place the following key elements of internal control:

- An organisational structure with well-defined scope of responsibilities, accountabilities and appropriate level of delegated authorities with clear line of reporting;
- Regular and comprehensive information provided to Management covering both financial and operational performance and key business indicators, for effective monitoring and decision making;
- Regular visits to operating units and close involvement in daily operations of the Group by Managing Director and senior management;
- Regular Board and Audit Committee meetings are held to identify and resolve operational and financial issues;
- An independent Audit Committee comprising non-executive members of the Board, all being independent directors;
- The Audit Committee reviews the audit reports for the Company and the Group prepared by the internal and external auditors and consideration of the major findings by the auditors and management's responses thereto;
- Certain parts of the Group's operations or subsidiaries have received ISO certification for their products and/or work processes, these operating units are committed to maintaining their certification by ensuring strict compliance with their respective ISO requirements which include periodic reviews from ISO; and
- Training requirements are identified and reviewed on annual basis based on individual needs, departmental recommendations and certification bodies' requirements.
- A formalised Board Charter, Code of Conducts and Ethics, Corporate Disclosure Policy, Whistleblower Policy and Anti-Corruption and Bribery Policy.

### Conclusion

Based on the processes set out above, the Board is of the view that the Group's system of risk management and internal control are adequate to safeguard the shareholders' investment and the Group's assets and has received assurance from both the Managing Director and Executive Director in this respect. Nevertheless, the Board and Management are committed towards operating a sound system of risk management and internal control and this system will continuously be reviewed and updated in line with the changes in the operating environment.

In the year under review, the Board is not aware of any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3") issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 January 2024, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects: has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely for, and directed solely to the Board in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the board of directors in respect of any aspect of this report.

This statement is issued in accordance with a resolution of the Directors dated 29 May 2025.

# Sustainability Report

At Quality Concrete Holdings Berhad (QC Group), sustainability is the cornerstone of our mission to build Sarawak's infrastructure. With over 30 years of expertise in ready-mixed concrete, pipe manufacturing, and bridges and road construction, we integrate Environmental, Social, and Governance (ESG) principles into every project. In 2025, we continue to balance economic growth with environmental stewardship and social responsibility. This report highlights our efforts, achievements, and aspirations to create lasting value for stakeholders.

## Message from the Chairman

*"Our vision is to construct not just infrastructure but a legacy of sustainability. From reducing carbon footprints to empowering communities, QC Group is committed to shaping a resilient future." – Chairman*

## Our Business

Since its establishment in 1996, Quality Concrete Holdings Berhad (QC Group) has grown into a cornerstone of Sarawak's construction industry, operating through 11 strategically positioned subsidiaries across the state. With a dedicated workforce of over 300 skilled professionals, including engineers, project managers, and technical experts, we pride ourselves on delivering innovative and sustainable solutions that shape the region's infrastructure. Our operations span diverse yet interconnected segments, each contributing to Sarawak's development while adhering to our commitment to quality, efficiency, and environmental responsibility. These core segments include Ready-Mixed Concrete Manufacturing, Pipe Manufacturing, Bridges and Road Construction, and Road Concession Services, each playing a pivotal role in our mission to build a connected and resilient Sarawak.

In our **Ready-Mixed Concrete Manufacturing** segment, QC Group is a trusted supplier of high-quality concrete tailored to meet the demands of a wide range of projects. From residential developments in bustling urban centers to large-scale commercial complexes and critical infrastructure initiatives, our batching plants produce customized concrete mixes that ensure durability and performance. By leveraging advanced technologies and sustainable materials, such as fly ash and recycled aggregates, we cater to clients who value both strength and environmental stewardship, supporting Sarawak's rapid urbanization with reliable foundations.

In our **HDPE Pipe Manufacturing** segment, QC Group excels in producing high-density polyethylene (HDPE) pipes

that are integral to Sarawak's water supply, drainage, and telecommunications infrastructure. Our manufacturing facilities ensure that each pipe meets stringent quality standards, offering exceptional durability, corrosion resistance, and flexibility. These pipes are designed to withstand the region's diverse environmental conditions, including underwater river crossings and challenging soil compositions, making them ideal for both urban and rural applications. By prioritizing innovation and sustainability, we provide cost-effective piping solutions that support long-term infrastructure resilience while minimizing environmental impact.

Our **Construction** segment underscores QC Group's expertise in delivering critical infrastructure that connects communities and drives economic growth. With a proven track record in constructing durable bridges and high-quality roads, we combine advanced engineering techniques with meticulous project management to ensure timely and safe delivery. Our projects range from complex bridge designs that navigate Sarawak's rivers and rugged terrain to extensive road networks that enhance accessibility across urban and remote areas. Each endeavor reflects our commitment to precision, safety, and sustainability, creating infrastructure that stands the test of time and fosters regional development.

In the **Road Concession Services** segment, QC Group plays a vital role in maintaining and operating key road networks across Sarawak under long-term concession agreements. Our responsibilities encompass routine maintenance, upgrades, and ensuring optimal road conditions to support safe and efficient travel. By integrating smart technologies for traffic monitoring and predictive maintenance, we enhance user experience and minimize disruptions. This segment highlights our dedication to public-private partnerships, where we collaborate with government bodies to deliver reliable infrastructure services that benefit communities, promote connectivity, and contribute to Sarawak's socio-economic progress.

## Our Sustainability Vision

QC aims to lead Sarawak's construction industry sustainably by integrating environmentally responsible manufacturing, community-focused construction, and transparent governance.

In manufacturing segment—including ready mixed concrete and HDPE pipe production—QC can reduce



## Sustainability Report (Contd.)

environmental impact through low-carbon cement alternatives, energy-efficient technologies, water recycling, and sustainable raw material sourcing, with a goal to cut production emissions by 10% in three years. For HDPE pipes, adopting recycled plastic content and optimizing extrusion processes can further enhance sustainability.

In construction, QC commits to inclusive practices such as hiring locally, engaging communities, and maintaining strict safety standards. Governance across both segments will be reinforced through cloud-based systems, third-party audits, ethics training, and a sustainability dashboard to ensure accountability, traceability, and public transparency. Through these actionable steps, QCHB balances innovation, community well-being, and ethical operations while advancing its leadership in sustainable development.

### 2025 Focus Areas

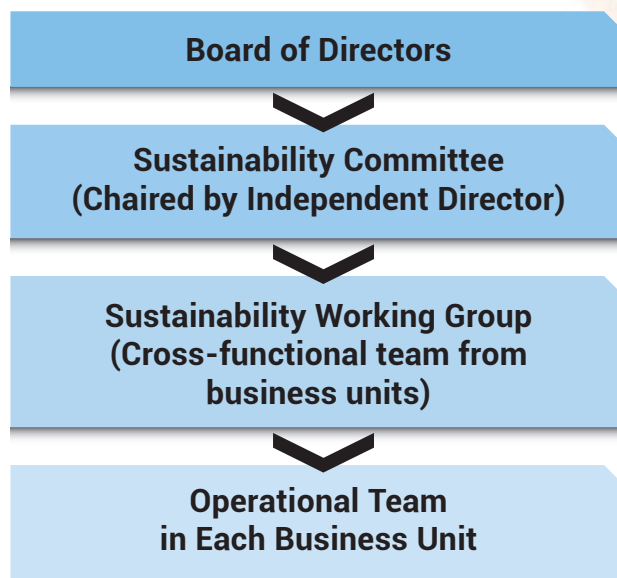
- Laid the groundwork for emission tracking across the Group operations to support future reduction goals.
- Initiated feasibility studies on integrating recycled materials into operation across the Group
- Strengthened internal sustainability governance through new training programs and system upgrades

### Sustainability Governance Structure

At QC, sustainability is embedded at the core of our corporate strategy, ensuring long-term value creation for stakeholders while contributing positively to the environment and society. To effectively oversee and drive our sustainability agenda across the Group's diverse business units, we have established a comprehensive sustainability governance structure guided by clear roles, responsibilities, and accountability mechanisms.

The highest authority overseeing sustainability within QC is the *Board of Directors*, which is responsible for integrating environmental, social, and governance (ESG) considerations into the Group's strategic direction and risk management. The Board ensures that our sustainability efforts align with global standards and contribute meaningfully to UN Sustainable Development Goals (SDGs).

To support the Board's oversight, the Group has established a *Sustainability Committee* chaired by an Independent Non-Executive Director, ensuring objectivity and accountability. The Committee provides strategic guidance on ESG matters, sets measurable targets, monitors performance, and ensures compliance with relevant laws and standards. Meeting quarterly, the Committee evaluates sustainability risks and opportunities and ensures that the Group's operations remain aligned with SDG priorities.



A cross-functional *Sustainability Working Group* supports the Committee by coordinating sustainability initiatives across QC's various business units. Each unit appoints sustainability leads responsible for implementing specific programs, tracking progress, and reporting performance data related to key sustainability goals.

To enhance transparency and data-driven decision-making, QC uses a centralized *Sustainability Dashboard* to monitor key performance indicators (KPIs) in real time, including energy and water usage, emissions, waste management, safety compliance, and community impact. These metrics are regularly reviewed by the Sustainability Committee and reported to the Board for oversight and strategic alignment.

Furthermore, QCHB embeds sustainability into organizational culture through mandatory ESG training for all employees and subcontractors and incorporates sustainability KPIs into performance evaluations. Regular third-party audits and stakeholder engagements help ensure continuous improvement and accountability.

Through this robust and inclusive governance structure, QCHB aims to lead by example in Sarawak's construction and manufacturing industries, supporting a sustainable, equitable, and resilient future in line with the global SDG framework.

This commitment is underpinned by a strong governance framework, which includes comprehensive policies and processes designed to enhance corporate performance, ensure accountability, and promote ethical conduct throughout our organization.

A core component of our governance framework is our Sustainability Policy, which reflects our dedication to responsible environmental stewardship, social well-being,

## Sustainability Report (Contd.)

and sound economic practices. Through this policy, we strive to minimize our environmental footprint, support inclusive and equitable work environments, uphold human rights, and contribute positively to the communities we serve.






For detailed information on QC Group's policies—including those related to sustainability, corporate governance, risk

management, ethics, and social responsibility—please visit the policies section of our corporate website.

At QC, we actively seek to integrate sustainability principles into our decision-making, operations, and long-term strategy, thereby aligning our business growth with global sustainability goals while delivering value to our stakeholders.

### Stakeholder Engagement

At QC, we maintain regular communication with a wide range of stakeholders on topics that are important and relative to respective stakeholders. Our engagement efforts are guided by our commitment to transparency, mutual respect, and long-term value creation. These engagements are carried out through various channels tailored to the needs and preferences of each stakeholder group.

STAKEHOLDER	ENGAGEMENT TOPICS	OUR COMMITMENT	ENGAGEMENT METHOD
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Product and Service Offered</li> <li>• After Sales Services</li> <li>• Customers Satisfaction</li> </ul>	Our commitment to customers involves prioritizing their interests, delivering exceptional value and experiences, and building strong, and trust-based relationships that drive loyalty and satisfaction.	<ul style="list-style-type: none"> <li>• Physical and Virtual Meeting</li> <li>• Company website</li> <li>• Financial Reporting and Announcement</li> <li>• Feedback Forms</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Employee Benefits</li> <li>• Career Advancement</li> <li>• Employee Safety</li> </ul>	Our commitment to employees involves maximizing their welfare, supporting their professional development and growth, and fostering a culture of respect, fairness, safe and inclusivity in the workplace.	<ul style="list-style-type: none"> <li>• Regular meeting</li> <li>• Training Programme</li> <li>• Employee Appraisal</li> </ul>
<b>Vendors</b> 	<ul style="list-style-type: none"> <li>• Business Ethics</li> <li>• Performance Expectations</li> </ul>	Our commitment to vendors involves fostering collaborative relationships built on trust, fairness, and shared values, while promoting transparent and responsible sourcing practices.	<ul style="list-style-type: none"> <li>• Physical or Virtual Meeting</li> <li>• Site/Plant Visiting</li> </ul>
<b>Shareholders and Investors</b> 	<ul style="list-style-type: none"> <li>• Group Financial Performance</li> <li>• Business Strategies and Operational Efficiency</li> <li>• Risk Management</li> </ul>	Our commitment to shareholders involves creating value, maintaining transparency and accountability, and considering the long-term impact of decisions on shareholder interests, while also balancing the needs of broader societal considerations.	<ul style="list-style-type: none"> <li>• Annual General Meeting (AGM)</li> <li>• Financial Report and Announcement</li> <li>• Press Release and Newsletter</li> <li>• Company Website</li> </ul>
<b>Government and Local Regulators</b> 	<ul style="list-style-type: none"> <li>• Industry Regulatory Updates and Compliance</li> <li>• Company Announcement</li> </ul>	Our commitment towards Government involves operating within the framework of laws and regulations, maintaining transparent and ethical conduct.	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Emails and Letters</li> <li>• Inspection</li> </ul>

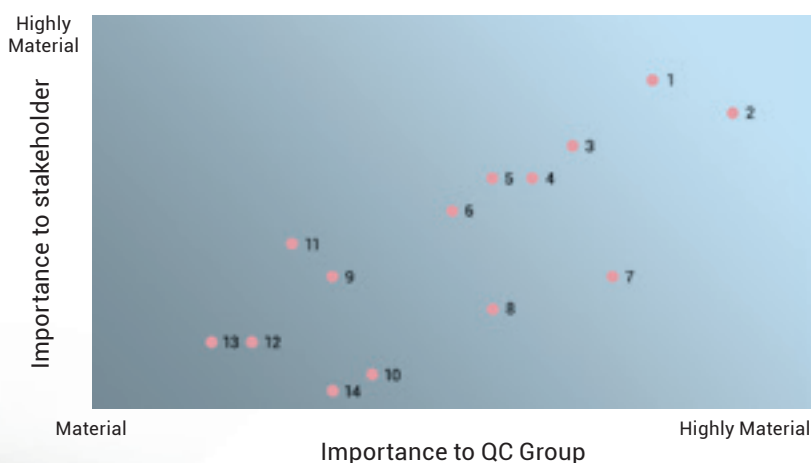
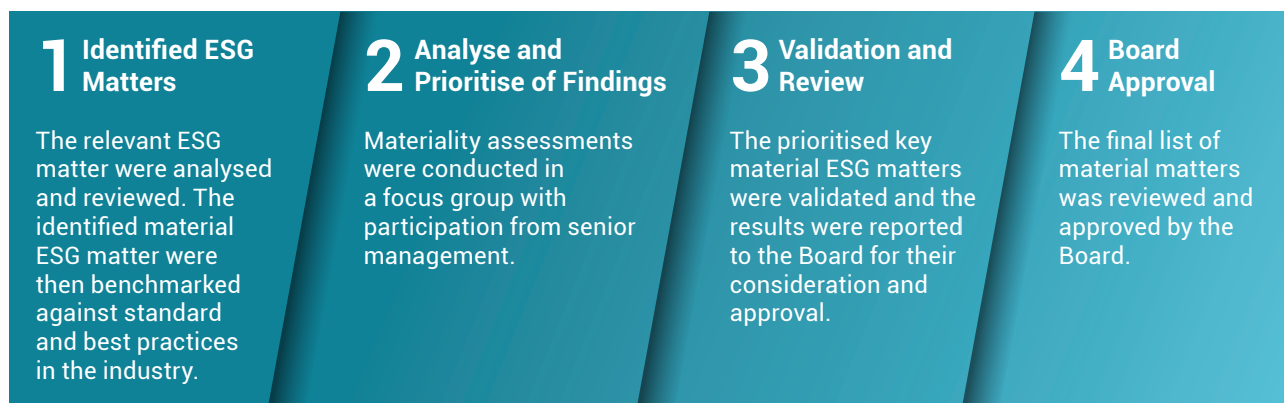
## Sustainability Report (Contd.)

STAKEHOLDER	ENGAGEMENT TOPICS	OUR COMMITMENT	ENGAGEMENT METHOD
<b>Local Communities</b> 	<ul style="list-style-type: none"> <li>Environmental Impacts</li> <li>Community Programs</li> </ul>	<p>Our commitment to local communities involves engaging with local stakeholders to understand their needs, investing in community programs, creating job opportunities, and fostering inclusive partnerships that aim to build a long-term and mutually beneficial relationship that strengthen the communities where we operate.</p>	<ul style="list-style-type: none"> <li>Community outreach</li> <li>CSR Initiatives</li> </ul>

This structured engagement framework helps ensure that all stakeholders are engaged consistently and meaningfully, contributing to stronger relationships and better outcomes for all.

### Material Matrix Analysis

Central to our sustainability strategy is the use materiality matrix which allows us to systematically identify, assess, and prioritize the environmental, social and governance issues that matter most to our stakeholders and business success. This year, we conducted an internal review of our material matters and found that while the previously identified issues remain largely relevant to our business and stakeholders, some adjustments were made and additional matters were included to reflect emerging concerns.



#### Highly Material

- 1 Ethical business and Compliance
- 2 Financial Stability
- 3 Customer Satisfaction
- 4 Risk Management
- 5 Sustainable and Product Services
- 6 Innovation and Technologies
- 7 Sustainable Supply Chain







#### Material

- 8 Human Rights and Labour Practices
- 9 Cyber Security and Data Protection
- 10 Waste Management
- 11 Air Emissions
- 12 Health and Safety
- 13 Training and Education
- 14 Water Efficiency

## Sustainability Report (Contd.)

In aligning our material matters with the United Nations Sustainable Development Goals (SDGs), we aim to strengthen our contribution to global sustainability priorities. Each identified material issues have been mapped to relevant SDGs to ensure that our strategic actions not only address business risks and opportunities but also support broader societal and environmental progress.

By embedding the SDGs into our materiality matrix and overall ESG approach, we ensure that our business decisions actively contribute to a more sustainable and resilient future. The outcomes of this alignment will be further enhanced in our next materiality reassessment, which will include broader stakeholder input and updated global context considerations.

Material Matter	Risk Identified	Opportunities	Approach	Related SDGs
<b>Ethical business and Compliance</b>	Non-compliance with relevant laws and regulation can lead to legal penalties, termination of contracts, and significant damage to the Company's reputation	Build trust with clients and suppliers to secure long-term projects	Implement strong internal governance system, code of ethics and conduct regular compliance training and audits	
<b>Financial Stability</b>	Cash flow constraints, project funding gaps, and limited investment capacity	Change of management approach, expand operations, attract investors, and gain financial resilience	Maintain healthy reserves, improve project cost control, and diversify income streams	
<b>Customer Satisfaction</b>	Client complaints, loss of repeat business, and project delays	Enhanced client retention and strengthen relationships with government agencies	Improve quality products and services, meeting project deadlines, and maintaining transparent communication	
<b>Risk Management</b>	Project delays, budget overruns, and safety incidents	Improve project governance with reduced operational disruptions	Conduct project risk assessment and establish response plans	
<b>Sustainable and Product Service</b>	Non-compliance products and project failures	Ensure product meet with standard requirement and precise engineering	Obtain product certification and conduct regular progress assessment at site	
<b>Innovation and Technologies</b>	Lagging behind competitors, process inefficiencies, higher labour and energy costs, and limitation in meeting evolving specs	Adoption of digital project management tools, automation in batching and pipe production, and innovative materials such as low-carbon concrete	Use of drone surveys, project tracking apps, and AI-based scheduling tools to enhance construction efficiency	



## Sustainability Report (Contd.)

Material Matter	Risk Identified	Opportunities	Approach	Related SDGs
<b>Sustainable Supply Chain</b>	Material shortages, high transport costs and sourcing from non-compliant suppliers	Building a resilient and ethical supply chain improves project delivery, cost control and stakeholder trust	Prioritise local sourcing where feasible and formalise contracts and enforce performance KPIs for major vendors	
<b>Human Right and Labour Practices</b>	Worker dissatisfaction, legal violations, and site disputes.	Better workforce retention and improved Company's reputation.	Fair wages, no forced labour and adhere to labour laws.	
<b>Cyber security and Data Protection</b>	Data breaches and system failures lead to loss of confidential data	Strengthen digital security safeguards and ensures protection of confidential data	Implement enterprise-level firewalls and antivirus across business units	
<b>Waste Management</b>	Improper handling of concrete slurry, plastic waste and construction debris lead to potential pollution and regulatory fines	Improves waste segregation and recycling can reduce operational costs and enhance environmental compliance	Recycle HDPE trimmings and excess concrete for reuse in non-structural works	
<b>Air Emissions</b>	Dust complaints from batching plants and carbon dioxide emissions	Improve environmental compliance and adopt greener operations	Used enclosed mixers and emission filters	
<b>Health and Safety</b>	Worker injuries, site shutdowns, and project delayed	Zero accident culture to reduced downtime	PPE compliance and conduct safety audits	
<b>Training and Education</b>	Low productivity and skills mismatch	Upgraded workforce and succession planning	Upskilling programs, site training and certification courses	
<b>Water Efficiency</b>	High water usage at site and resource scarcity	Lower costs and improved sustainability ratings	Rainwater harvesting and water recycling at site	

## Sustainability Report (Contd.)

### Environmental Stewardship

At QC, environmental stewardship is a cornerstone of our commitment to responsible and sustainable growth. Across all our subsidiaries, including ready mixed concrete production, HDPE pipe manufacturing, bridge construction, road maintenance, timber products and premix production. We recognise our role protecting natural resources and reducing environmental impact. We are fully aligned with national environmental regulations and global sustainability practices, and we continuously strive to integrate environmentally conscious approaches across our operations through a structured, practical and compliance-driven approach.

### Environmental Management and Approach

The process of managing environmental impact starts with identifying the key environmental aspects within each of QC Group's business units, including air emissions from batching operations, water use in concrete production, and waste generated from pipe manufacturing and construction activities. These insights allow our management team to set internal environmental targets that are aligned with regulatory requirements and industry best practices.

To ensure compliance and continuous improvement, we implement a structured system that includes site inspections, monitoring of key environmental performance indicators (e.g. water consumption, fuel usage, waste generation), and regular training of site personnel. Each facility and construction site is required to comply with the Environmental Quality Act and related regulations,

including DOE licensing, scheduled waste tracking, and erosion control requirements.

In bridge construction projects, we ensure that no construction runoff enters natural waterways by implementing sediment traps and silt fences around riverbanks. Equipment used near rivers is checked regularly for oil leaks, and concrete pouring is scheduled to avoid periods of heavy rain to reduce the risk of contamination.

For road maintenance operations, we have adopted new technique for road rehabilitation, which is the Cold-In-Place Recycling Method compared to conventional hot mix. Our teams manage bitumen handling with spill kits and bunded storage to prevent soil contamination, and dust suppression is carried out using water bowsters, particularly in dry seasons or during pavement milling works.

Across all operations, investment is made into cleaner technologies such as dust collectors, enclosed conveyor systems, and water recycling facilities at batching plants. Environmental SOPs and responsibilities are embedded into day-to-day operations, ensuring that every project team is quipped to manage their environmental footprint effectively.

Through proactive planning, strong internal controls, and the engagement of our workforce, we ensure that environmental protection is not only a regulatory requirement but a fundamental part of how we deliver long term and sustainable infrastructure.

Identify  
Environmental  
Aspect

Implement  
Control

Monitor and  
Report

Review and  
Improve

### Energy Management

In line with the Global Reporting Initiative GRI 302:Energy Standard, we are committed to minimizing our energy footprint by improving efficiency, reducing consumption, and integrating renewable sources across all our business operations in construction, manufacturing, and property development. This compliance reflects our approach to track, manage and report energy performance while supporting broader climate action goals and regulatory compliance.

We continuously monitor our Group energy consumption from both non-renewable sources, such as diesel, petrol, and grid electricity. These are measured and disclosed annually in megajoules (MJ), allowing us to

assess performance trends and identify opportunities for improvement. We also evaluate our energy intensity by calculating energy usage per output unit, such as per meter cubic meter of ready mixed concrete produced, ensuring that energy efficiency is embedded into our operational benchmarks.

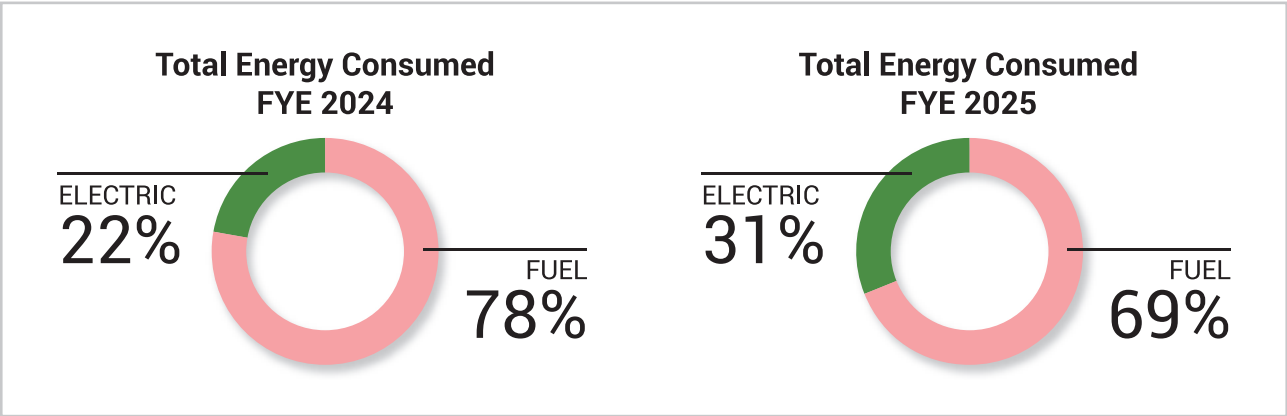
To reduce our overall energy consumption, we have started with basic but effective measures. These include replacing traditional lighting with energy-saving LED lights, maintaining our machinery regularly to ensure efficient operation, and encouraging staff to switch off equipment when not in use. We are also looking into ways to monitor our electricity usage more closely to identify

# Sustainability Report (Contd.)

areas where we can save more energy. While we have not yet started using renewable energy, we are open to explore such options in the future as part of our long-term sustainability goals.

As at the financial year ended, our Group total energy consumption was approximately 47,141,737 megajoule (MJ), drawn entirely from non-renewable sources such as

fuel and electricity used in our offices, construction sites and manufacturing facilities. The manufacturing division accounted for the highest portion of energy use in both 2024 and 2025, largely due to continuous operations at our pipe manufacturing factory with high energy-intensive equipment. Construction division as the second largest energy consumer, mainly driven by the use of heavy machinery and extended site activities.



Note

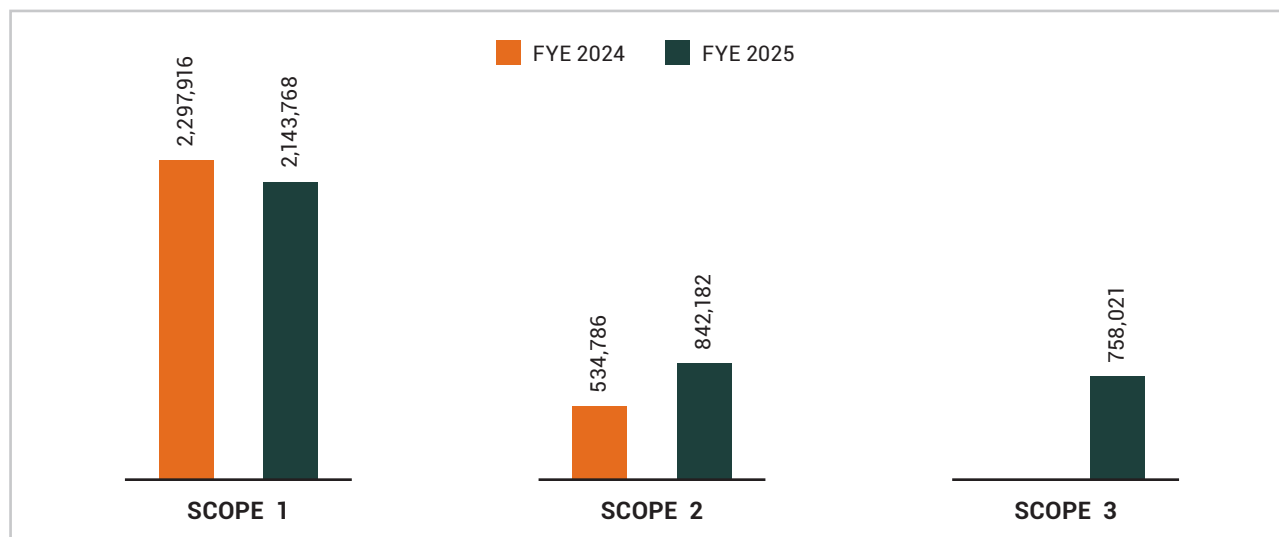
1. The total fuel consumption is calculated by the summation of petrol and diesel consumed within the group.

## Greenhouse Gas Emissions (GHG)

At QC, the measurement of GHG emissions in our core operations is carried out to ensure accurate accounting of our emissions. We establish our emission boundary and scope in alignment with the GHG Protocol Corporate Accounting and Reporting Standard. Emission factors used for calculation of GHG emissions are sourced from Malaysia Energy Commission, and the UK Department for Environment, Food and Rural Affairs (DEFRA).

Scope 1	Scope 2	Scope 3
Direct emissions from sources that are owned or controlled by the Group. This includes emissions from the combustion of diesel and petrol in company-owned vehicles, heavy construction machinery, on site-generators, and manufacturing operations such as concrete batching plants.	Indirect GHG emissions resulting from the generation of purchased electricity that is consumed by the Group's facilities and operations. This includes the electricity used in our manufacturing plants, offices, and project sites. Although we do not directly produce these emissions, they are a significant part of our carbon footprint due to the energy-intensive nature of our manufacturing and operational activities.	Encompass all other indirect emissions that occur as a result of our activities but are generated from sources not owned or directly controlled by QC Group. These include emissions from the production and transport of raw material, employee commuting, and waste generated from construction and manufacturing activities.

### GHG EMISSION (KILOTONNES CO<sub>2</sub> E/YEAR)



**Note**

1. This is the Group's first disclosure of Scope 3 GHG emissions, which currently focuses primarily on trade-related activities.

### Waste Management

As QC operates across the construction, manufacturing of ready-mixed concrete and pipe production, and property development sectors, each segment generates different types of waste with the most significant impacts arising from construction debris, concrete waste, and manufacturing by-products. We acknowledge that waste management is crucial toward establishing a sustainable future. Improper waste handling can lead to environmental pollution, land degradation, and non-compliance with local regulations. Therefore, we prioritize waste minimization, recycling, and proper disposal to mitigate environmental risks.

We actively manage significant waste-related impacts by applying several key strategies across its operations. Firstly, we focus on reduction at source by minimizing waste generation through careful planning, efficient use of materials, and process optimization. We achieve this through careful project planning, where project teams conduct detailed material take-offs and accurate forecasting to ensure that only the necessary quantities of materials are procured for each project. This reduces the likelihood of surplus materials that might otherwise become waste.

In addition, we implement efficient use of materials by promoting design optimization, where engineers and designers plan for material sizes and dimensions that maximize utilization and minimize offcuts. For our construction activities, site supervisors and procurement teams collaborate closely to schedule deliveries in phases, matching work progress to avoid material spoilage,

deterioration, or theft. By using standardized sizes for formwork, reinforcement bars, and precast elements, we further limit unnecessary wastage on site.

Process optimization also plays a vital role. We adopt lean construction principles at our project sites, where workflow is streamlined to avoid rework, and activities are sequenced to ensure that materials are installed correctly the first time. Our internal quality control programs and regular site inspection help detect and correct potential inefficiencies early, thus preventing wasteful practices. These proactive strategies not only reduce waste generation significantly but also contribute to cost savings and project efficiency, supporting QC Group's broader sustainability objectives.





## Sustainability Report (Contd.)

Secondly, we prioritize reuse and recycling wherever feasible. At QC Group, we are committed to minimizing our environmental footprint through robust waste management strategies and a strong emphasis on reuse and recycling across all our operations.

### Reuse and Recycling Initiatives

We actively prioritize the reuse and recycling of materials wherever feasible:

- **Concrete Waste Recycling:** A key initiative involves the collection and crushing of concrete waste from our ready-mixed concrete manufacturing operations. The resulting material is resold as recycled aggregate, primarily for use in road base construction and other non-structural applications.
- **Office Waste Recycling:** Within our daily office operations, we enforce the systematic separation of recyclable materials including paper, plastics, and electronic waste which are then sent to appropriate recycling facilities.
- **Wood Waste Recovery:** Our timber products subsidiary significantly contributes to waste recycling efforts. Wood waste comprising offcuts, sawdust, wood shavings, and rejected pieces is segregated at the source. Larger offcuts are repurposed into secondary products such as wooden pallets, crates, and landscaping materials. Meanwhile, sawdust and smaller residues are either sold to third parties for biomass energy generation or composting.

### Safe Disposal of Non-Recyclable Waste

For waste streams that cannot be reused or recycled, QC Group ensures environmentally responsible disposal:

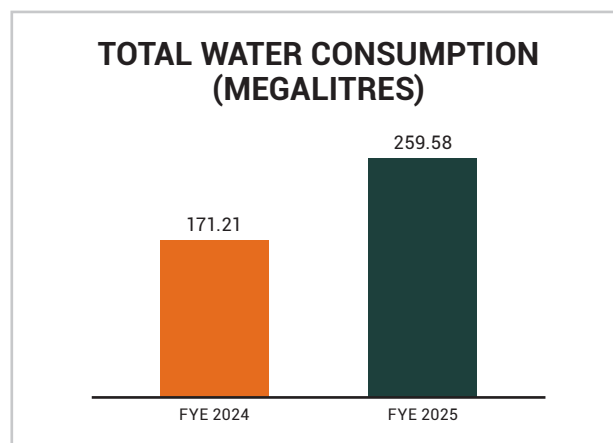
- All non-recyclable and hazardous waste such as used oils and chemical containers from maintenance and manufacturing activities are securely stored and handled in compliance with safety standards.
- Disposal is carried out through licensed waste management contractors, in strict adherence to Malaysian environmental laws and regulations.

Metric tonnes	FYE 2025	FYE 2024
Total Waste Generated	502	437
Total Waste Directed to Disposal	0	0
Total Waste Diverted from Disposal	502	437

By diverting significant volumes of waste from landfills and channelling materials into alternative value streams, QC Group advances its commitment to a circular economy. Our initiatives in recycling concrete, reusing wood waste, and repurposing construction materials exemplify our proactive approach to reducing environmental impact and promoting sustainable practices across the construction, manufacturing, and timber sectors.

### Water Management

Our water management approach follows international best practices and local regulatory requirements, aiming to achieve operational sustainability while contributing to the preservation of water ecosystems.



At QC, water withdrawal primarily occurs across two key operational areas: manufacturing and construction. Water used in both segment is sourced from municipal supply system or purchase of clean water from external suppliers rather than direct water extraction from local sources. None of the water sources used by our operation are considered water-stressed or classified as significantly affected by our water withdrawal. Our operations do not rely on any protected or vulnerable water sources that are under threat due to over extraction or pollution. We ensure that water usage adheres strictly to local regulations and industry standards. To avoid any negative impacts, we regularly review our water usage and implement measures to minimize any potential strain on local water resources.

This rise was mainly attributed to the expansion of our construction activities and an increase in ready-mixed concrete production at site, both of which required greater volumes of purchased clean water for operations. Despite the increase, we continue to prioritize water efficiency measures, such as recycling process water in our manufacturing activities and adopting water-saving practices at construction sites. We are also strengthening our internal monitoring systems to track water usage more accurately and to identify further opportunities for conservation and reuse.

QC acknowledges the importance of respecting indigenous water rights and ensuring that our water management practices do not infringe on local communities' access to clean and safe water. We work closely with local authorities and local communities to ensure that water usage within our operations does not interfere with or negatively impact their rights to water resources. To date, none of QC Group's operations have been reported to impact indigenous water rights.



Social Aspect

QC Group prioritizes human rights in every aspect of our operations across all business divisions. We are committed to ensuring all individuals working within or connected to our operations are treated with dignity, fairness, and respect.



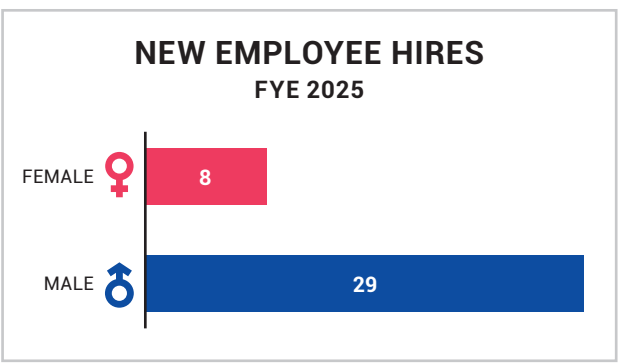
We uphold zero-tolerance policy against child labour, forced labour, modern slavery, and any form of discrimination based on race, gender, religion, age, disability, or nationality. This commitment extends not only to our direct employees but also to

subcontractors, suppliers, and partners engaged across our projects and supply chains.

At QC, we instituted a comprehensive Human Rights and Labour Practices Framework, applied consistently across all subsidiaries:

- I. Human Rights Policy  
All employment practices at QC Group from site workers to administrative personnel in holding are bound by our policy that guarantees fair recruitment, equal opportunity for advancement, and freedom from harassment and discrimination.
- II. Fair Labour Practices  
All employees are assured of fair wages, legal working hours, weekly rest periods and paid leave entitlements. We ensure all personnel work under schedules that comply strictly with national labour laws and industry best practices.
- III. Grievance Mechanisms  
We provide all employees, contract workers, and subcontractor personnel with access to confidential and accessible grievance reporting channels. These mechanisms are designated to handle complaints related to workplace conditions, discrimination harassment, or unethical practices. All grievances are handled promptly, with assurance of non-retaliation and fair resolution processes monitored by the internal audit department.

Employee Management



All hiring, compensation, and working conditions are compliant with Malaysian Labour Law and reflect our commitment to decent work. As at FYE2025, we onboarded 37 new hires, expanding our workforce to meet growing project demands in road maintenance and construction division.

All employees are issued formal contracts detailing wages, benefits, working hours, and leave entitlements. We offer paid annual leave, medical coverage, maternity/ paternity leave, and retirement contributions. Our group wide average employee retention rate was 89% in FYE2025.

Occupational Health and Safety

Occupational Health and Safety (OHS) is a core priority for QC Group, especially given the nature of our work in construction, manufacturing, and property development, all of which involve operational, environmental, and human-related risks. Our commitment to safeguarding employees, contractors, and site visitors is embedded in every project and governed by robust policies, risk management procedures and continuous training.

At QC, our OHS management approach is designed to reflect the diverse operational needs of our core sectors. Rather than adopting a uniform system across all subsidiaries, each division is empowered to implement its own OHS management system tailored to its specific risks, regulatory requirements, and work environments. This decentralized approach ensures relevance and effectiveness in addressing the unique hazards of each operation.

Despite these tailored systems, all subsidiaries adhere to Group wide expectations, including the development of written health and safety policies, appointment of safety personnel, and enforcement of hard mitigation procedures. Compliance with safety protocols is regularly monitored and evaluated through inspections and management reviews. Each subsidiary is responsible for documenting its health and safety performance and reporting key indicators to Group Health & Safety leadership for oversight and alignment.

Each QC Group site conducts pre-work risk assessments through Job Safety Analysis (JSA) and Safe Work Method Statement (SWMS). Hazards are recorded and addressed before work begins. All workers and subcontractors are trained to report hazards or unsafe conditions via mobile apps or physical logbook at each site. Safety officers and site supervisors are responsible for verifying and responding to these reports.

In collaboration with certified occupational health providers, QC Group offers periodic health screenings for high-risk roles such as audiometry test for factory workers. First aid trained personnel are present at every worksite, and first-aid kits and fire extinguishers are readily accessible and regularly inspected.

## Sustainability Report (Contd.)

Workers exposed to dust, chemicals, heat, or machinery noise are provided with Personal Protective Equipment (PPE) such as helmets, gloves, masks, safety boots, and ear protection. PPE compliance is strictly enforced across the Group's activities.



### AED

As part of QC Group's on-going commitment to promote worker health and emergency preparedness, Automated External Defibrillators (AEDs) have been installed at our corporate offices and operational sites. This initiative complements our existing first aid and emergency response protocols, ensuring rapid medical intervention in the event of sudden cardiac arrest.

In FYE2025, QC Group recorded zero fatalities and no cases of occupational diseases or work-related ill health were recorded.

### Training and Development

At QC, we recognised that investing in employee development is essential to sustaining business excellence, ensuring safety, and driving innovation across our diverse operations. In line with GRI 404, we are committed to provide continuous learning opportunities for all employees, from site personnel to senior management to enhance their skills, performance, and career growth. The Group recorded the following average hours of training per employee category:

Category	FYE 2025	FYE 2024	FYE 2023
Management	25	19	11
Executive	12	17	11
Non-Executive	3	2	2
General Worker	2	1	5
Total	42	40	29



At QC, we are committed to continuous employee development through a range of structured training programs aimed at enhancing technical capabilities,

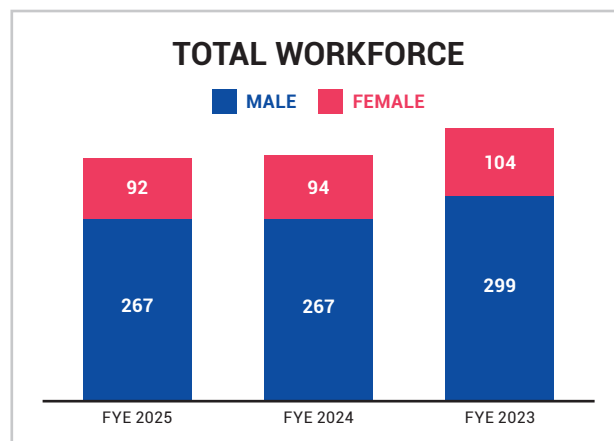
managerial competencies, and ethical conduct. During the year, the Group organized multiple in-house training sessions, including a dedicated anti-corruption workshop attended by key personnel from procurement, human resource, project management, and finance departments. This training focused on strengthening awareness of ethical practices, understanding the MACC Act, and reinforcing the Group's zero-tolerance stance on bribery and corruption.



In alignment with our sustainability objectives, we also conducted in-house training on Environmental, Social, and Governance (ESG) practices to raise awareness among staff on integrating sustainability into day-to-day operations and decision-making processes. Leadership training was provided to managerial staff, while employees across departments were upskilled in digital tools and systems relevant to their functions. In cases of organizational changes, the Group also offers transition support such as career counselling and job placement assistance.

### Diversity

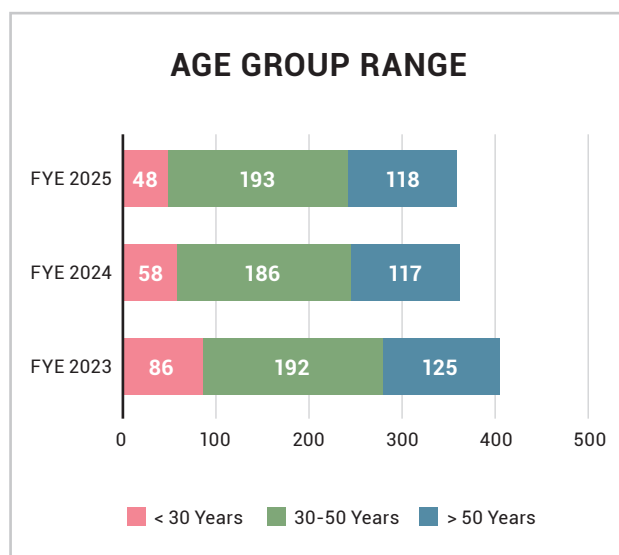
QC is committed in promoting a diverse, inclusive, and equitable workplace that reflects the values of fairness and respect for all individuals. The Group believes that diversity of background, experience, and perspective enhances innovation, teamwork, and sustainable growth. QC employed a workforce that spans multiple age groups, skill levels, and cultural backgrounds across the diverse segments.



## Sustainability Report (Contd.)

In terms of gender diversity, while the industry remains traditionally male-dominated, QC Group continues to make progress in promoting the participation of women, especially in administrative, technical, and professional roles. Notably, the Group has maintained a consistent 26% female workforce over the past three consecutive years, this includes representation in management and decision-making roles. QC Group actively support gender equality through non-discriminatory hiring practices, equal pay for equal work and inclusive policies that support work-life balance.

Age diversity is also recognized as a valuable asset to QC. We include a healthy mix of young professionals under 30, experienced personnel aged 30-50, and maintained senior employees over 50 years old who bring institutional knowledge and leadership. Career advancement and training opportunities are available to employees of all age groups, with no discrimination based on age or tenure.



Diversity and inclusion are further reinforced through awareness initiatives and periodic review of HR policies to ensure alignment with both local labour laws and global best practices.

### Local Community

At QC, we recognized the importance of building strong, positive relationships with the communities where we operate. Our commitment to responsible corporate citizenship is reflected through our subsidiaries efforts to contribute meaningfully to local development, particularly in rural and underserved areas. Through active engagement, collaborative partnerships, and targeted social initiatives, we strive to enhance the quality of life for communities while aligning with government objectives and stakeholder expectations.

During the year, one of our key community initiatives was carried out by our road maintenance subsidiary in collaboration with Public Works Department (JKR). As parts of its Corporate Social Responsibility (CSR) program, we supported the paving and improvement of the access road leading to SK. St. Augustine, Betong a crucial institution serving students and families from the surrounding rural areas. This effort addressed long-standing accessibility challenges, particularly during the rainy season, when poor road conditions often compromised safety and hindered school access.

This project was undertaken at no cost to the local community, with our subsidiary providing the necessary manpower, materials, and equipment as part of its CSR commitment. This collaboration with JKR not only strengthened our working relationship with the government but also demonstrated QC Group's responsiveness to local needs beyond contractual obligations. This initiative was well received by the community, fostering goodwill and reinforcing our Group's role as a responsible and compassionate corporate citizen.

In addition to infrastructure-based CSR efforts, QC Group also prioritizes health-related community outreach. During the year, the Group organized a blood donation campaign, inviting employees, residents, and business partners to participate. In collaboration with Sarawak Blood Donors Society (PPDS) and Sarawak General Hospital (SGH), the campaign aimed to support local hospitals in replenishing blood supplies and raising awareness of the importance of regular blood donation. The event received positive feedback and strong participation from staff across multiple departments.





## Sustainability Report (Contd.)

### Ethical Business Conduct

At QC, we are committed to uphold the highest standards of corporate governance, integrity, and transparency across all its operations. Governance at QC Group is not limited to structural oversight but is actively embedded in our daily operation.

Our approach focuses on embedding integrity and transparency into every aspect of our business from how we engage suppliers and develop solutions, to how we innovate and serve our customers. By aligning our operations with these principles, we aim to deliver consistent quality, foster stakeholder trust, and contribute positively to the economy, environment, and society.

### Anti-Corruption and Ethical Conduct

In line with our zero-tolerance policy on corruption, QC Group continued to strengthen its anti-corruption framework in 2024. We have a Group-wide Anti-Corruption and Bribery Policy that aligns with the Malaysian Anti-Corruption Commission (MACC) Act 2009. To reinforce this, we conducted in-house-training sessions for employees, focusing on procurement, finance, and project delivery functions. These training sessions aimed to increase awareness, detect red flags, and reinforce accountability at all levels of the organization.

Additionally, our whistleblowing channel remains active and accessible, allowing employees and stakeholders to report misconduct or unethical behaviour confidentially. All reports are handled by the Audit Committee, ensuring independent oversight and appropriate follow-up actions. During the year under review, we are pleased to report that there were no non-compliance, fines, penalties, or settlements related to fraud, bribery, or money laundering offences. There were no incidents of employees facing disciplinary action or dismissal due to non-compliance, affirming our dedication to maintain a high standard of ethical conduct within our organisation.

### Sustainable Supply Chain

Our Group supports inclusive and sustainable economic development by prioritizing local procurement wherever feasible. In line with GRI 204-1, we recognize the economic and social benefits of sourcing goods and services from local suppliers which helps reduce logistic-related environmental impact, supports local job creation, and strengthens regional business ecosystems.

QC Group is currently working toward introducing Supplier Code of Conduct, which will set expectations for legal compliance, ethical behavior, environmental stewardship, and labor practices. These efforts reflect our commitment to build a responsible and resilient supply chain that contributes positively to the regions in which we operate.

	FYE 2025		FYE 2024		FYE 2023	
	RM	%	RM	%	RM	%
Local	135,886,230	92%	167,704,603	98%	185,519,623	99%
Foreign	12,246,335	8%	3,771,192	2%	2,793,545	1%
<b>Total</b>	<b>148,132,565</b>	<b>100%</b>	<b>171,475,795</b>	<b>100%</b>	<b>188,313,168</b>	<b>100%</b>

### Responsible Products and Services

At QC Group, we are committed to deliver products and service that are safe, high-quality, environmentally responsible, and socially impactful. This commitment applies across all our business segments, from infrastructure construction to manufacturing.



In our construction segment, we strictly adhere to national safety codes, engineering best practices, and client specifications to ensure that every project meets structural, safety, and durability standards. Our work with government agencies requires us to deliver solutions that are not only functional but also accessible and sustainable, particularly in rural areas. A key example of our commitment to community safety is demonstrated through our emergency response team, which is deployed under our road maintenance division. During the year, the team responded within 24 hours to rectify a severely damaged road section that posed danger to nearby residents. Swift action ensured the restoration of safe access and prevented potential accidents. This responsive approach reflects our proactive stance in providing responsible and timely services that safeguard public welfare and contribute to the well-being of the communities we serve.

As bridge construction is one of the Group's core infrastructure capabilities, we emphasize engineering integrity, public safety and long-term structural

## Sustainability Report (Contd.)



performance. Each bridge project is undertaken with thorough design and planning processes that incorporate geotechnical assessments, environmental impact evaluations, and stakeholder consultations. We strictly follow JKR standards, and relevant structural codes to ensure our bridges can withstand both static and dynamic loads while ensuring user safety. Sustainability is also considered in material selection and construction sequencing. Prefabricated components are used where feasible to reduce construction waste, accelerate timelines, and improve site safety. By integrating responsible engineering practices with community-focused outcomes, QC Group continues to deliver bridge infrastructure that supports inclusive development and national resilience.

### Innovation and Technology



At QC, innovation is central to how we enhance infrastructure delivery and ensure responsible business growth. In our road maintenance division, we leverage advanced digital tools to improve planning accuracy, response times, and service accountability. A key technological enhancement is our adoption of public road intelligence management system (PRIMS) 360 street view system, which provides a 360-degree real time visual capture of road conditions. This tool allows our team to conduct remote assessments, monitor defects, and documents road asset performance without relying solely on physical inspections which significantly reducing fuel use, time consume and environmental footprint associated with site visits.

To complement this, we subscribe to the road asset management (RoadPlus) platform, which provides cloud-based access to comprehensive road condition data, historical maintenance records, and predictive analytics. With the system, our engineers and project managers can identify degradation patterns, prioritize repairs based on urgency and traffic impact, and schedule proactive maintenance rather than relying on reactive methods. This transition to data-driven decision-making has improved operational efficiency, minimized service downtime, and enhanced public safety by ensuring timely interventions.

In our manufacturing arm, specifically ready mixed concrete operations, we embrace digitalization and process automation to enhance precision, efficiency, and sustainability. We utilize automated batching system that ensure exact proportions of raw materials are used in every mix, minimizing human error and reducing material waste. These systems are integrated with our delivery scheduling software to streamline logistics, reduce idle time for mixer trucks, and lower fuel consumption.



Our HDPE pipe manufacturing facility integrates smart technology and quality automation to produce high performance piping systems that meet demanding infrastructure standards. We use automated extrusion lines equipped with precision temperature and pressure controls to ensure dimensional accuracy and wall thickness consistency. In line ultrasonic inspection systems detect defects in real time, reducing the risk of material failure and increasing overall productivity reliability. We also piloting IoT-enabled sensors to monitor equipment health and production performance, allowing for predictive maintenance and minimizing unplanned



## Sustainability Report (Contd.)

downtime. In line with Group's sustainability objectives, we continuously explore ways to optimize resin usage and recycle offcuts without compromising pipe quality.

### Customer Satisfaction

We also recognize that the satisfaction and confidence of our customers primarily government agencies, statutory bodies, and key project stakeholders are fundamental to the sustainability of our business. Our approach to customer satisfaction is rooted in a commitment to quality, transparency, responsiveness, and long-term value delivery.



From project initiation to completion, we uphold a culture of open and timely communication, ensuring our clients are informed at every critical milestone. Each project begins with a detailed briefing and risk assessment phase to align our deliverables with client expectations. During execution, our teams maintain clear documentation, regular progress updates, and on-site reviews to foster confidence and ensure alignment with government standards, specifications, and timelines.

Quality assurance and on-time delivery remain central performance indicators in our service approach. We conduct stringent internal inspections and engage third-party verifications where applicable to ensure workmanship meets regulatory and contractual benchmarks.

In QC manufacturing division, customer satisfaction is a cornerstone of our operations. Our diverse customer base comprising contractors, infrastructure developers, and government agencies depends on our ability to deliver products that are consistent in quality, reliable in performance, and responsive to project requirements. We are pleased to report that no customer complaints were received during the reporting year, reflecting the strength of our internal controls and client-centric service culture. Across the Group's operations, QC Group's commitment to client engagement, quality control, and after-sales support reflects our goal of building lasting business relationships. By staying responsive to client needs and embracing feedback as a tool for innovation, we continue to uphold a manufacturing culture that delivers value, reliability, and satisfaction.

## Conclusion

QC Group remains steadfast in its commitment to integrating sustainability into every segment of its operations. Through proactive environmental stewardship, socially responsible practices, and strong governance frameworks, we aim to create long-term value for our stakeholders while contributing positively to society and the environment.

Our ongoing efforts in waste reduction, resource efficiency, employee well-being, community engagement, and ethical business conduct underscore our dedication to continuous improvement and transparent reporting. As we move forward, QC Group will continue to align its strategies with global ESG standards, embrace innovation, and collaborate with partners and regulators to drive sustainable growth and resilience in the industries we serve.

# Sustainability Report (Contd.)

Indicator	Measurement Unit	2024	2025
<b>Bursa (Anti-corruption)</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	No Data Provided	100.00
Executive	Percentage	No Data Provided	100.00
Non-executive/Technical Staff	Percentage	No Data Provided	100.00
General Workers	Percentage	No Data Provided	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Bursa (Community/Society)</b>			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	60,060.25	57,474.30
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	602	600
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	2.00
Management Between 30-50	Percentage	44.00 *	46.00
Management Above 50	Percentage	56.00 *	52.00
Executive Under 30	Percentage	15.00 *	10.00
Executive Between 30-50	Percentage	74.00 *	76.00
Executive Above 50	Percentage	11.00 *	14.00
Non-executive/Technical Staff Under 30	Percentage	16.00 *	14.00
Non-executive/Technical Staff Between 30-50	Percentage	51.00 *	55.00
Non-executive/Technical Staff Above 50	Percentage	32.00 *	31.00
General Workers Under 30	Percentage	26.00 *	22.00
General Workers Between 30-50	Percentage	49.00 *	51.00
General Workers Above 50	Percentage	25.00 *	27.00
Gender Group by Employee Category			
Management Male	Percentage	70.00 *	68.00
Management Female	Percentage	30.00 *	32.00
Executive Male	Percentage	44.00 *	43.00
Executive Female	Percentage	56.00 *	57.00
Non-executive/Technical Staff Male	Percentage	75.00 *	77.00
Non-executive/Technical Staff Female	Percentage	25.00 *	23.00
General Workers Male	Percentage	82.00 *	81.00
General Workers Female	Percentage	18.00 *	19.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	76.00	74.00
Female	Percentage	24.00	26.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	29.00	30.00
Above 50	Percentage	71.00	70.00
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	2,701.00	4,001.59
<b>Bursa (Health and safety)</b>			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	39	177

## Sustainability Report (Contd.)

Indicator	Measurement Unit	2024	2025
<b>Bursa (Labour practices and standards)</b>			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	714	857
Executive	Hours	472	251
Non-executive/Technical Staff	Hours	461	297
General Workers	Hours	104	278
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	40.00	43.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	3	1
Executive	Number	2	11
Non-executive/Technical Staff	Number	27	21
General Workers	Number	21	9
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.00 *	92.00
<b>Bursa (Data privacy and security)</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	171.210000	259.580000
<b>Bursa (Waste management)</b>			
Bursa C10(a) Total waste generated	Metric tonnes	437.00 *	502.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	437.00 *	502.00
<b>Bursa (Emissions management)</b>			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	2,297.92 *	2,143.77
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	561.00 *	842.18
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	758.02

Internal assurance

No assurance

(\*)Restated