AZRB

AHMAD ZAKI RESOURCES BERHAD

Registration No. 199701017271 (432768-X)

Powering **Ahead**

ANNUAL REPORT **2024**

Powering **Ahead**

A pivotal shift for AZRB as we continue our journey towards stability and improving performance. What was previously defined as resilience is now clear signs of momentum.

Backed by decades of expertise, we are geared to navigate challenges with precision and foresight, driving long-term value creation for our stakeholders.

This year's report cover depicts a montage of our landmark projects, symbolising our steady progress and concrete achievements that reinforce trust in our ability to execute.

While full recovery is still ahead, a growing sense of optimism and emerging positive impacts inspire renewed confidence across our business landscape. Powering Ahead, AZRB's leadership and dedicated teams lead the way, instilling a sense of rejuvenation and fuelling confidence throughout our diverse portfolio.

27th ANNUAL GENERAL MEETING ("27th AGM")

AZRB
AHMAD ZAKI RESOURCES BERHAD
Registration No. 199701017271 (432768-X)

Broadcast Venue Boardroom,
7th Floor, Menara AZRB,
No. 71, Persiaran Gurney,
54000 Kuala Lumpur

Thursday, 12 December 2024

10.30 a.m.

For more information, visit our website.

www.azrb.com

OUR VISION

To be a Trusted **INDUSTRY LEADER** in Delivering **COMMITMENT** with **EXCELLENCE** and **VALUE**

OUR MISSION

- Smart Partnership with Customers, Employees and Stakeholders
- Institutionalise the Virtues of Honesty and Trust
- Setting and Maintaining High Standards; Striving for Superior Performance in All Undertakings
- Pro-Active through Continuous Research and Development in Meeting Challenges

CORE VALUES

We have the **Ability**, **Zest** and **Resilience** to be the **Best**

- **ABLE**
  People with High **Capability** and **Expertise**
- **ZEST**
  Giving **Commitment** with **Energy** and **Passion**
- **RESILIENCE**
  Foster **Strong** and **Dynamic People**
- **BEST**
  Focus on **Quality** and **Excellence**

ABOUT AZRB

Ahmad Zaki Resources Berhad ("AZRB"), headquartered in Kuala Lumpur, is a leading Engineering & Construction group listed on the Main Market of Bursa Malaysia. The Group has grown tremendously since its formation in 1982 into a trusted and reputable leader in the industry.

In 2022, AZRB and Veritas Architects Sdn Bhd were awarded the PAM Award Gold under the Special Category by Malaysian Institute of Architects for Excellence in Architecture for the iconic Saloma Link Bridge (Pintasan Saloma) - a futuristic-looking pedestrian and cyclist bridge that connects Kampung Baru ("KB") to the Kuala Lumpur City Centre ("KLCC").

AZRB, through its wholly-owned subsidiary Ahmad Zaki Sdn Bhd ("AZSB"), was awarded the Gold Class 2 Award by the Malaysian Society for Occupational Safety and Health ("MSOSH") at the 39th MSOSH OSH Awards in 2021 for the Petronas Office Complex project and the Silver Award at the 38th MSOSH OSH Awards in 2019 for the KVMRT Package V202 project. In 2020, AZSB was awarded the 5-Star SHASSIC Achievement Award by the Construction Industry Development Board ("CIDB") for the Bukit Bintang City Centre and Universiti Teknologi Petronas projects.

AZRB won the 4-Star CIDB Score Award, whilst AZSB won the same award with a 5-Star achievement from CIDB in 2019. In the same year, AZRB received the MSWG Merit Award for Most Improved Corporate Governance Disclosure as well as the Best Company for Investor Relations and Best Investor Relations Website under the micro-cap category from the Malaysian Investor Relations Association.

In 2018, AZRB won the Best Under Billion Award for Best Sustainability Reporting from Focus Malaysia. In 2017, the Group's Engineering & Construction Division was named Builder of the Year at the Malaysian Construction Industry Excellence Awards ("MCIEA"). It also scooped two additional awards at the 2017 MCIEA, namely the Best Project Award and the Green Construction Award for its work on the 37-storey Menara Kerja Raya in Kuala Lumpur.

Over the years, it has been awarded the coveted "Builder of the Year" three times (in 2000, 2006, and 2017) and has been a consistent winner of various construction project categories.

Other notable projects completed by the Engineering & Construction Division include Jambatan Putra in Kuantan, Pahang, Universiti Teknologi Petronas in Seri Iskandar, Perak, the Sultan Ahmad Shah Medical Centre @IIUM in Kuantan, Pahang and the MRT Putrajaya Line Stations S202 & S206. Presently, its current projects include the East Klang Valley Expressway ("EKVE"), Masjid Bandaraya KotaSAS ("MBK"), road upgrading project in Cameron Highlands, Pahang and also upgrading and renovation works for Istana Abu Bakar at Pekan, Pahang Darul Makmur.

Apart from Engineering & Construction, AZRB Group is also involved in Oil & Gas, Property Development & Hospitality and Concession.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dr Madinah Binti Mohamad
Independent Non-Executive Chairman

Dato' Sri Wan Zakariah Bin Haji Wan Muda
Group Managing Director

Dato' Ir. W Zulkifli Bin Haji W Muda
Executive Director

Dato' Roslan Bin Tan Sri Jaffar
Executive Director

Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
Non-Independent Non-Executive Director

Dato' Ir. Haji Che Noor Azeman Bin Yusoff
Senior Independent Non-Executive Director

Dato' Hj. Wan Mohd Hilmi Bin Wan Kamal
Independent Non-Executive Director

Mr. Lee Chee Khoon
Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Chairman
Mr. Lee Chee Khoon

Member
Tan Sri Dato' Lau Yin Pin @
Lau Yen Beng

Dato' Ir. Haji Che Noor Azeman Bin Yusoff

NOMINATION COMMITTEE

Chairman
Dato' Ir. Haji Che Noor Azeman Bin Yusoff

Member
Tan Sri Dato' Lau Yin Pin @
Lau Yen Beng

Mr. Lee Chee Khoon

COMPANY SECRETARIES

Dato' Haji Bahari Bin Johari
(LS 0008773/SSM PC No. 201908002206)

Suzana Binti Sanudin
(LS0008028/SSM PC No. 201908002589)

REGISTERED/HEAD OFFICE

Menara AZRB
No. 71 Persiaran Gurney
54000 Kuala Lumpur

603-2698 7171

603-2694 8181

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd
Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

603-2692 4271

603-2732 5388

PRINCIPAL BANKERS

AmBank (M) Berhad
AmBank Islamic Berhad
Alliance Bank Malaysia Berhad
Affin Bank Berhad
Bank Islam Malaysia Berhad
Bank Kerjasama Rakyat Malaysia Berhad
Bangkok Bank Berhad
Bank Pembangunan Malaysia Berhad
CIMB Bank Berhad
Maybank Islamic Berhad
United Overseas Bank (Malaysia) Bhd

AUDITORS

Grant Thornton Malaysia PLT
(AF 0737)
Level 11
Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

STOCK EXCHANGE

Main Market of Bursa Malaysia
Securities Berhad
Stock Name: AZRB
Stock Code: 7078

WEBSITE

www.azrb.com

CORPORATE STRUCTURE

AZRB
AHMAD ZAKI RESOURCES BERHAD
Registration No. 199701017271 (432768-X)

ENGINEERING & CONSTRUCTION

AHMAD ZAKI SDN BHD	100%
PENINSULAR PRECAST SDN BHD	100%
PENINSULAR PROKONSULT SDN BHD	100%

PROPERTY DEVELOPMENT & HOSPITALITY

AZ LAND & PROPERTIES SDN BHD	100%
RESIDENCE INN & MOTELS SDN BHD	100%
TEMALA DEVELOPMENT SDN BHD	70%
KEMAMAN TECHNOLOGY & INDUSTRIAL PARK SDN BHD	60%

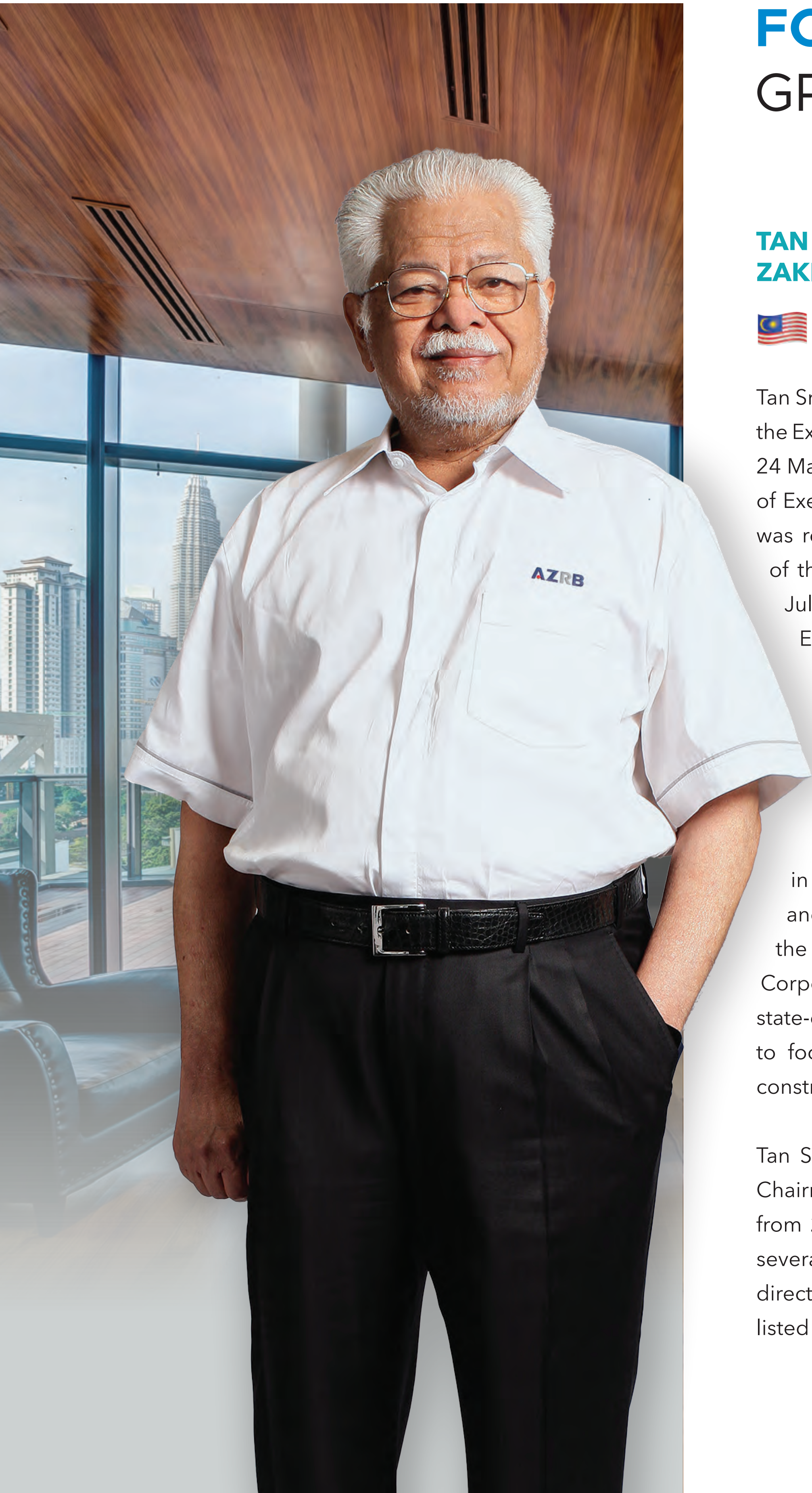
OIL & GAS

INTER-CENTURY SDN BHD	100%
TB SUPPLY BASE SDN BHD	53%
ASTRAL FAR EAST SDN BHD	53%

CONCESSION

EKVE SDN BHD	100%
PENINSULAR MEDICAL SDN BHD	100%
SAMBUNGAN LEBUHRAYA TIMUR SDN BHD	100%

Notes: The full disclosure of the Corporate Structure is illustrated under Note 17 of the Financial Statements of this Annual Report.



FOUNDER AND GROUP ADVISOR

TAN SRI DATO' SRI HAJI WAN ZAKI BIN HAJI WAN MUDA

M **75** years old

Tan Sri Dato' Sri Haji Wan Zaki was appointed as the Executive Vice Chairman of the Company on 24 March 1999. Subsequently, he held the post of Executive Chairman from 1 March 2000 and was redesignated as Executive Vice Chairman of the Company on 26 February 2004. On 1 July 2021, he retired from his position as the Executive Vice Chairman and assumed the role of Group Advisor.

Tan Sri Dato' Sri Haji Wan Zaki is the founder of Ahmad Zaki Sdn Bhd ("AZSB"). Prior to venturing into business, he served in various positions in state-owned companies in Pahang and Terengganu, of which his last was as the Managing Director of Pesama Timber Corporation Sdn Bhd ("Pesama"), a Terengganu state-owned company. He left Pesama in 1984 to focus on expanding the engineering and construction business of AZSB.

Tan Sri Dato' Sri Haji Wan Zaki served as the Chairman of Chuan Huat Resources Berhad from 2002 until 2013. He sits on the board of several private limited companies and has no directorships in other public companies and listed issuers.


AZRB

DATO' SRI WAN ZAKARIAH BIN HAJI WAN MUDA
Group Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Ahmad Zaki Resources Berhad ("AZRB" or "the Group") is firmly on the path to recovery after turning the page on four consecutive periods of losses by achieving net profit for the Financial Year ended 30 June 2024 ("FYE 2024").

Our reversal of fortune comes after the successful divestment of plantation interests in Kalimantan, Indonesia; the main cause of our previous losses that subsequently drained our finances and consequently disrupted the operations of AZRB's other businesses.

Thus unshackled, the Group focused our capital and other resources to address pressing issues restricting two of our flagship projects: the East Klang Valley Expressway ("EKVE") and the Tok Bali Supply Base ("TBSB") for oil & gas activities in the east coast.

In the case of the EKVE, we secured an additional loan for land acquisition from the Government in December 2023, effectively resolving any remaining financial gaps and paving the way for completion of Section 1 (Sungai Long-Ampang) by the second half of FYE 2025. The loan was awarded to cover additional land acquisition costs, which were initially settled with the Group's internal funds. The loan will be paid back to the Government over the concession period of the completed highway.

Toll collection for this comparatively traffic-heavy segment is then expected to be a major income driver for the Group. Over the past 10 years, we have allocated substantial investment in time and finances for the project.

For our supply base, the improving financial position has also facilitated dredging at Kuala Sungai Semarak to improve access to TBSB. The maintenance of the river bed has reinvigorated the potential of the supply base and coincided with our first-ever support service provision for two successful well drilling expeditions.

At the same time, we continue to secure new contracts for our mainstay business of Engineering & Construction ("E&C") on the basis of our respectable track record for project delivery that has earned the confidence of the federal and state governments.

During the reporting period, we were awarded contracts for upgrading and renovation works for Istana Abu Bakar in Pahang, and for the design and construction of a specialist hospital in Port Dickson, Negeri Sembilan.

As at the end of the financial year, AZRB had an outstanding order book of an estimated RM1 billion for E&C. Along with our growing business in property development, we are confident of carrying the positive momentum from FYE 2024 over to the next few financial cycles.

PRIMARY BUSINESS OBJECTIVE TO CREATE AND DISTRIBUTE VALUE

As one of the most prominent businesses, AZRB has played a critical role in shaping the economic and socioeconomic landscape in Malaysia by contributing to the economy and improving the lives of society.

The Group's development of critical infrastructure has stimulated economic activity in support of businesses, industries, communities and governments. Our list of completed projects include roads and highways, commuter rail, and offshore and onshore facilities for industries such as oil & gas.

In addition, we have built and upgraded numerous public buildings including mosques, hospitals, education institutions, sports complexes, offices and residential units, facilities that enhance the quality of life for Malaysians.

Through our projects, we have created business opportunities and jobs, particularly in the less-developed eastern seaboard of Peninsular Malaysia where AZRB has a considerable presence via the TBSB and other projects. Further, we are dedicated to increasing Bumiputera participation in key economic sectors, including engineering, construction, concessions, oil and gas and property development.

As a well-established and publicly listed company, AZRB has consistently provided financial returns to shareholders, offered benefits to our workforce, created opportunities for contractors and vendors, contributed to government tax revenue and supported community initiatives.

THE OPERATING LANDSCAPE IN FYE 2024

After a year of moderate growth in 2023, the Malaysian economy trended upwards during the first half of 2024, with Gross Domestic Product ("GDP") expanding by 4.2% and 5.9% respectively in Q1 and Q2 2024 as compared with 3.0% in Q4 2023 and 3.3% in Q3 2024. Bank Negara Malaysia ("BNM") expects the economy to expand by 4.0%-5.0% this year against 3.7% previously.

TOTAL ECONOMIC VALUE DISTRIBUTED FYE 2024

EMPLOYEES (REMUNERATION)
RM **34.1** million

CONTRACTORS, VENDORS, SERVICE PROVIDERS (CONTRACTS)
RM **71.6** million

FEDERAL GOVERNMENT (TAXES)
RM **13.1** million

COMMUNITIES (CSR)
RM **0.2** million

TOTAL RM **119.0** million


On going project at Masjid Bandaraya KotaSAS.

More importantly, the local construction sector recorded a robust period of growth fuelled by substantial government contracts for large-scale infrastructure projects awarded during the reporting period.
https://www.cidb.gov.my/eng/construction-in-malaysia-poised-for-upsurge-with-strategic-budget-investments/

The industry is projected to sustain growth by 4.4% in 2024 after expanding by 6.6% the previous year, according to a report by researchandmarkets.com: 'Malaysia Construction Market Size, Trend Analysis by Sector, Competitive Landscape and Forecast to 2027'.
https://www.businesswire.com/news/home/20240103503271/en/Malaysia-Construction-Industry-Report-2023-Output-is-Expected-to-Grow-by-6.6-in-Real-Terms-in-2023---Size-Trends-Analysis-by-Sector-Competitive-Landscape-and-Forecasts-2018-2022-and-2023-2027---

Equally as important, the Group has also taken into consideration the continued rise in the cost of building materials, which partially resulted from the weak Ringgit against the greenback throughout the reporting period when it traded at rates between RM4.60 to RM4.80 to the Dollar.

For example, a survey conducted by the Real Estate and Housing Developers' Association ("REHDA") reported increases of more than 10% for prices of sand and concrete in December 2023.
https://www.thestar.com.my/business/business-news/2024/03/14/rehda-rising-cost-of-building-materials-to-affect-property-prices

Similarly, the unit price index of cement increased by up to 5% between the corresponding months of June in 2023 and 2024, as cited by a special release for Building and Structural Works 2024 from the Department of Statistics Malaysia ("DOSM").
https://www.edgeprop.my/content/1908929/global-trends-drive-construction-expenses-malaysia

Meanwhile, we have also noted that the average price of crude oil (Brent) remained above the US$80 mark in 2023 and 2024. Such comparatively high rates support and stimulate the oil & gas industry, leading to exploration activities which in our case yielded a service contract for drilling activities.
https://www.macrotrends.net/2480/brent-crude-oil-prices-10-year-daily-chart

CORPORATE EXERCISES

During the financial year in review, AZRB undertook two exercises that had major implications on our financial position and operations. The first was a private placement of issued shares to raise funds and the second was the disposal of our plantation in Kalimantan.

- **Private Placement for Fund Raising**
  In October 2023, the Group issued a total of 59,643,400 new securities in a private placement of up to 10% of existing issued shares to raise funds for overheads and project financing. The new shares were issued in three tranches, raising RM12.2 million upon listing on the Main Market of Bursa Securities.

- **Disposal of Plantation Interest**
  On 27 November 2023, the Group entered into a Share Sale Agreement ("SSA") with Denai Saujana Sdn Bhd for the disposal of its entire 95% equity interest in P.T. Ichtiar Gusti Pudi ("PTIGP"). Effectively, PTIGP ceased to be a subsidiary of AZRB. In line with our objective to divest loss-making operations in order to enhance shareholders' value, the disposal resulted in a net gain of RM189 million to our Income Statement.

FINANCIAL PERFORMANCE

FYE 2024 FINANCIALS AT A GLANCE

REVENUE

RM**495.5** million
FYE 2023: RM371.6 million
FYE 2022: RM723.1 million
33.3%

PROFIT/(LOSS) BEFORE TAX

RM**132.4** million
FYE 2023: RM 22.1 million
FYE 2022: RM(67.6) million
499.1%

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS

RM**95.1** million
FYE 2023: RM(89.2) million
FYE 2022: RM(76.8) million
206.6%

EARNINGS PER SHARE

14.12 sen
FYE 2023: (14.92) sen
FYE 2022: (12.87) sen
194.6%

SHAREHOLDERS' FUNDS

RM**199.5** million
FYE 2023: RM67.2 million
FYE 2022: RM174.5 million
196.9%

REVENUE

Group Revenue increased by 33.3% to RM495.5 million in FYE 2024 from RM371.6 million (restated) previously as a result of higher contributions from all our business segments.

In particular, revenue from our E&C business jumped by 36.8% to RM322.5 million (FYE 2023: RM235.7 million) on account of revenue recognition from existing contracts.

IIUM Medical Centre, Kuantan, Pahang.

Similarly, AZRB's three other business divisions also increased their total revenue contributions: the Concession Division ("Concession") by 28.5% to RM72.2 million (FYE 2023: RM56.2 million) with the additional work into asset management services for hospitals; Oil & Gas ("O&G") by 23.5% to RM88.4 million (FYE 2023: RM71.6 million) on account of new service contracts for drilling activities secured in the last quarter of the financial year; and Property Development & Hospitality ("Property") by 57.0% to RM12.4 million (FYE 2023: RM7.9 million) due to progressive billings of sold-out launches of residential units in Paka, Terengganu.

E&C remained the largest revenue contributor during the financial year with a share of 65.1%, followed by O&G with 17.8%, Concession with 14.6% and Property with 2.5%.

PROFITS

The Group achieved net profit in FYE 2024, the first since FYE 2018 (FYE 2020 encompassed an 18-month period from 1 Jan 2019 to 30 June 2020), mainly on account of gains from the disposal of our plantation subsidiary.

Profit Before Tax ("PBT") amounted to RM132.4 million as compared against RM22.1 million (restated) previously while Profit Attributable to Owners was RM95.1 million (FYE 2023: RM89.2 million). Earnings Per Share ("EPS") was 14.12 sen, a turnaround from a loss of 14.92 sen in the previous financial year.

While the Concession Division returned profits, all other business segments posted losses for the financial year. PBT for Concession was lower at RM24.6 million against RM35.5 million previously.

E&C incurred a markedly higher Loss Before Tax ("LBT") of RM81.5 million, (FYE 2023: -RM4.2 million) mainly due to provisions made during the year for Liquidated Ascertained Damages ("LAD") incurred for previous projects as well as for provisions made for cost overruns for some current projects.

Meanwhile, the O&G Division posted a deeper loss of RM10.3 million from -RM3.9 million the year before as a result of the high cost of major dredging works amounting to approximately RM12 million at TBSB.

Comparatively, there was no major dredging works done in the preceding financial year. On a brighter note, the Property Division cut its losses to only RM102,000 from an LBT of RM4.2 million in FYE 2023.

- **Dividend**

  Despite a profitable year, the Board of Directors ("the Board") has decided to defer dividends until such time when AZRB is financially stable. We are cautiously optimistic of ensuring return on investment for our shareholders in the years ahead when the EKVE commences toll collection while our other businesses continue to improve performance.

SHAREHOLDINGS AND ASSETS

At the close of the financial year, our Shareholders' Funds grew by a substantial margin to RM199.5 million from RM67.2 million. Total Assets amounted to RM4.36 billion from RM4.63 billion following the disposal of our plantation assets, with Net Tangible Assets of RM140.9 million (FYE 2023: -RM3.4 million) for a Net Tangible Assets per Share of 21 sen against -0.6 sen previously.

REVIEW OF OPERATIONS

FINANCIAL PERFORMANCE BY BUSINESS SEGMENT FYE 2024

E&C

REVENUE
RM322.5 million
FYE 2023: RM235.7 million
36.8%

PROFIT/(LOSS) BEFORE TAX
RM(81.5) million
FYE 2023: RM(4.2) million
1,840.5%

O&G

REVENUE
RM88.4 million
FYE 2023: RM71.6 million
23.5%

PROFIT/(LOSS) BEFORE TAX
RM(10.3) million
FYE 2023: RM(3.9) million
164.1%

CONCESSION

REVENUE
RM72.2 million
FYE 2023: RM56.2 million
28.5%

PROFIT/(LOSS) BEFORE TAX
RM24.6 million
FYE 2023: RM35.5 million
30.7%

PROPERTY

REVENUE
RM12.4 million
FYE 2023: RM7.9 million
57.0%

PROFIT/(LOSS) BEFORE TAX
RM(0.1) million
FYE 2023: RM(4.2) million
97.6%

ENGINEERING & CONSTRUCTION

The E&C Division is on the road to recovery with substantially higher revenue contribution for the year. The Division has landed several major contracts to boost the value of our outstanding order book to RM1 billion.

We will begin to realise revenue from these contracts in the second quarter of FYE 2025 and this is expected to have positive implications on the Division's top and bottom lines in the next financial period and beyond.

- **Roads in Cameron Highlands**

  The Division has commenced work on a project to build a new bypass road and upgrade existing roads in Cameron Highlands. Awarded by the Public Works Department ("JKR") on 15 June 2023, this design and build project is valued at RM122.5 million and has a contract duration of 42 months.

- **Istana Abu Bakar**

  On 1 April 2024, the Division secured a contract from JKR to upgrade and renovate the Istana Abu Bakar in Pekan, Pahang. To be undertaken over 30 months, the contract has a substantial value of RM315.9 million.

- **Port Dickson Specialist Hospital**

  The Division was awarded another contract by JKR on 24 July 2024 to design and build a new specialist hospital in Port Dickson, Negeri Sembilan. The Division has 156 weeks to complete this project worth RM152.0 million.

Over and above these major commissions from the E&C Division, the Group gained several smaller projects in FYE 2024 including contracts from the International Islamic University Malaysia ("IIUM") via our Concession Division.

During the financial year in review, we coped with the rising cost of building materials by shifting towards sustainable solutions such as the reuse of excavated soil to build terramesh walls as the retaining structure for slopes facing the EKVE.

Further details on the Terramesh System are featured in the Sustainability Statement on page 66 of this Annual Report 2024.

CONCESSION

The Division operates two distinct concession businesses, the soon-to-be operational EKVE and the provision of asset management services for medical facilities.

EKVE

Following the delay in construction due to financial constraints the year before, we have successfully brought the project back on an even keel by promptly resolving prevailing issues, particularly plugging the financial gaps in the project.

As mentioned earlier, the new loan extended by the Government, coupled with our improving financial position, has cleared the way for us to resume construction without further interruptions.

At the close of the financial year, the EKVE is estimated to be at almost 90% completion with Section 1 from Sungai Long to Ampang scheduled to be open by the second half of FYE 2025 and Section 2, from Ampang to Ukay Perdana is expected to be open for public use approximately 12 months after the opening of Section 1.

Our subsidiary, EKVE Sdn Bhd, was awarded the concession agreement by the Federal Government on 13 February 2013 to design, build and operate the expressway over a 50-year period. The total cost of construction is estimated at RM1.7 billion.

The EKVE spans 39km, including a 24km main line, a 12km slip road and a 3km upgrade of Jalan Ukay Perdana and has five major interchanges at Sungai Long, Mahkota Cheras City, Hulu Langat, Ampang and Ukay Perdana.

Peninsular Medical Sdn Bhd

Our subsidiary, Peninsular Medical Sdn Bhd ("PenMedic"), continues to set high standards in healthcare via a concession to provide asset management services to the Sultan Ahmad Shah Medical Centre @ IIUM in Kuantan, Pahang.

PenMedic was the first in Malaysia to develop the hospital under a Private Finance Initiative ("PFI"), through the Build, Lease, Maintain and Transfer ("BLMT") method. The provision of support services under the asset management services during the Lease and Maintain Phases of the Concession includes facility engineering, biomedical engineering, cleaning and security.

Now into the second decade, our concession with the medical centre provides AZRB with a stable source of recurring income.

In the current financial year, we were awarded contracts worth RM23.7 million, involving additional works for a fertility centre as well as paediatric ICU at Sultan Ahmad Shah Medical Centre within the IIUM Medical Campus in Kuantan, Pahang.

Supported by a team of experienced professionals and a proven track record in managing complex healthcare projects, PenMedic is well-positioned to attract new projects.

EAST KLANG VALLEY EXPRESSWAY

OIL & GAS

Similar to other business segments, the availability of capital resources enabled this Division to resolve a major encumbrance by carrying out dredging of the river channel to improve access to TBSB.

The successful undertaking paved the way for O&G to secure new clients and improve its top line performance, although this costly exercise also affected the Division's bottom line in FYE 2024. Nevertheless, periodic dredging of the river bed is essential for our support services at TBSB to achieve and sustain profitability.

Following this, we welcomed our first client in drilling operations, which completed two well drilling campaigns, one of which was an Ultra Extended Reach Drilling ("ERD") well now recognised as the longest well drilled in Malaysia. We also manage shore-based production support services for hydrocarbon producers.

Beyond this, our continuous engagement with Petronas is leading to various opportunities including the prospective provision of vendor-managed services to improve warehousing and yard management for all petroleum arrangement contractors ("PAC").

TBSB offers a reliable alternative to other supply bases on the east coast owing to its strategic location, which reduces the distance and travel time for operations in the North Malay Basin ("NMB"), Joint Development Area ("JDA") and Commercial Arrangement Area ("CAA").

This is particularly relevant for Petronas and other oil & gas producers, which are committed to reducing their carbon footprint as part of transformation efforts in line with sustainability goals as well as objectives related to cost optimisation and efficiency improvements.

In addition, our strong ties with existing clients have also opened the door to the inclusion of some integrated services such as vessel management to our portfolio of services.

PROPERTY DEVELOPMENT & HOSPITALITY

Although this is AZRB's smallest segment, Property is poised to become a profitable business on the back of markedly-higher sales volume from several successful launches of residential units in Terengganu.

The shift in strategy was to focus on developing affordable homes at prices below RM300,000. We had made this adjustment in the wake of the COVID-19 pandemic when the cost of building materials and labour spiked amid the drop in demand for east coast houses priced above RM350,000.

Our strategies are to sell the houses at affordable prices less than RM300,000 and to continuously look for contractors with lowest tender price in order to maximise profit margin.

Apart from property development, the Division also owns and operates the Residence Inn, Cherating, which was built in 1994 and is a popular hotel for both domestic and international tourists.

Menara Kementerian Kerja Raya.

MANAGING RISK EFFECTIVELY

Risk management is a crucial process that involves accounting for uncertainties and their potential impact on all aspects of corporate activities, from planning and projections to operations and financial commitments.

Despite our prudent approach to business and operations, AZRB has faced significant challenges since the onset of COVID-19 in 2020, resulting in losses over the previous four financial years before our turnaround this reporting period.

We had responded to the sustained losses by strengthening our efforts to identify, assess and manage both risks and opportunities through a robust Enterprise Risk Management ("ERM") framework based on MS ISO 21000:2018 standards.

Our improvements to the ERM framework were approved by the Board in December 2023, before the Group's key risk areas were attended to at both Audit & Risk Committee and Board levels.

Further details are presented in the Statement of Risk Management and Internal Control on pages 90 to 97 in this Annual Report 2024.

The ERM framework highlighted four pressing risks, as listed and presented below:

- **ICT Disaster Recovery Risk**

  Risks associated with ICT disaster recovery mainly stem from the likelihood of inadequate preparedness and response measures, which can cause severe operational interruptions.

  Key risks include incomplete data backups, slow recovery processes and recovery plans that may overlook critical systems. Evolving threats such as cyber attacks and natural disasters can heighten these vulnerabilities, leading to extended downtime and financial repercussions.

  To mitigate these risks and ensure business continuity, AZRB has adopted several measures. The identified risk management areas were; the addressing of local storage mechanisms for internal storage/backup; replacement of ageing and end-of-life switches in the data centre; establishment of an active directory server to manage user access to the respective digital devices; and Periodical Personal Computer Inventory Software Audit ("PISA") to prevent the use of unlicensed or pirated software.

- **Foreign Exchange Risk**

  The risks of currency exchange volatility is a significant concern for a business like AZRB, where our primary business in E&C requires building materials produced overseas. Fluctuations in currency rates can lead to increased material costs, affecting project budgets and resulting in cost overruns.

  To mitigate this risk, we constantly monitor the price of materials and apply stringent procedures in procurement while also engaging in forward contracts to lock in prevailing rates, thus reducing cost variations.

  In addition, we are actively diversifying our supplier base to spread the risk while also incorporating risk assessments into financial planning to allow for informed decision-making.

- **Legal Risk**

  The Group is susceptible to legal risks associated with debt liabilities and contractual disputes with vendors given our persistent challenges with liquidity despite the improvement to our cash flow in the reporting period.

  Any failure to honour debt obligations or disputes with vendors over contrtactual terms can result in litigation and financial losses. In addition, we may face liability claims for construction defects, safety violations or injuries occurring on site, which can further increase legal and financial exposure.

  To mitigate these risks, we have resolved to hold monthly meetings with the commercial team to establish a creditor ageing list and if required, to prepare for negotiations on payment plans to avert any legal action. We are also diligently tracking existing settlement agreements.

- **Human Resource Planning & Development Risk**

  As a company with a comparatively high attrition rate in talent, AZRB remains vigilant over the risks to filling critical roles that could eventually impact on operational performance.

We understand that high employee turnover can stem from insufficient development opportunities, which would lead to skill shortages, lower productivity and disruptions to operations.

To address these concerns, we have outlined the following measures:

- Focusing on critical positions that have been identified based on project and business needs;
- Providing on-the-job training, knowledge sharing and job rotation to employees in order to enhance skills and competencies. During the reporting period, the Training Department had organised several knowledge sharing sessions;
- Following up on a regular basis with management to ensure periodical payments are being made as scheduled;
- Identifying causes for resignations through an Exit Interview Form; and
- Formulating and implementing succession planning.

INTEGRATING SUSTAINABILITY

AZRB is ramping up its efforts to weave Economic, Environmental, Social and Governance ("EESG") principles into every aspect of our operations, using this framework to support recovery and drive future growth.

We are dedicated to sustainability, aiming to build a company that is financially robust, environmentally conscious and socially responsible, all the while generating enduring value for our stakeholders.

During the financial year in review, we expanded our sustainability reporting to a more comprehensive range of disclosures as required by the Global Reporting Initiative ("GRI") Bursa Malaysia Sustainability Reporting Guide ("BMSRG") and the FTSE4Good Bursa Malaysia Index ("F4GBM").

Further, we have set targets for our Most Material Matters as the platform for the formulation and implementation of initiatives to improve performance across all the EESG pillars of sustainability.

Further insights into the Group's efforts on sustainability are presented in the Sustainability Statement on pages 38 to 76 of this Annual Report 2024.

ENSURING GOOD CORPORATE GOVERNANCE

At AZRB, our dedication to maintaining rigorous corporate governance standards remains steadfast as we work to protect the Group's interests, boost shareholder value and uphold investor confidence.

Over the reporting period, we have been unwavering in our efforts to enhance our governance practices. We have ensured full compliance with all relevant laws, regulations, and guidelines set by regulatory bodies, including Bursa Malaysia Securities Berhad ("Bursa Malaysia").

Our commitment to transparency and accountability has driven us to continuously refine our governance framework, adopting best practices and implementing robust risk management measures. By adhering to these high standards, we strive to build trust with our stakeholders and strengthen our reputation as a responsible corporate entity.

Further details are presented in the Corporate Governance Overview Statement on pages 77 to 85 in this Annual Report 2024.

OUTLOOK AND PROSPECTS

OUTLOOK

The Malaysian economy is expected to grow on a stable trajectory of between 4.0% and 5.0% over the next two years, with BNM forecasting a range of 4.0-5.0% for 2024 and Fitch Ratings indicating 4.5% in 2025.
https://www.bnm.gov.my/-/qb24q1_en_pr, https://www.fitchratings.com/research/sovereigns/malaysia

This consistent growth is supported by ongoing investments and strong domestic consumption. The economic expansion is further bolstered by the government's fuel rationalisation measures, which have boosted government finances and are expected to lead to an increase in public spending on key infrastructure projects.

Meanwhile, the BNM has estimated that Inflation will remain moderate over the next two years, between 2.0% and 3.5%, while the Malaysian Ringgit is expected to strengthen against the US Dollar and other currencies. This would result in increased stability in the prices of building and other materials.

PROSPECTS

ENGINEERING & CONSTRUCTION

Our E&C business is poised for growth on account of the increase in government coffers, which have been augmented by the lifting of subsidies for diesel fuel and strengthening of the Ringgit. The Government is expected to spend on public infrastructure improvements over the next few years.

Budget 2024 had already allocated RM393.8 billion, or 19.9% of the gross domestic product (GDP), with three ministries - Finance, Education and Health being the main recipients. The Ministry of Health has been allocated RM41.2 billion for over 400 clinic upgrades, and healthcare facility projects nationwide.
https://www.thestar.com.my/news/nation/2024/05/12/over-400-clinic-upgrades-healthcare-facility-projects-underway-nationwide-says-dr-dzul

Education received the biggest allocation of RM58.7 billion under Budget 2024, whereby, RM1.9 billion was for the upgrading and maintaining of schools nationwide for the year.
https://www.mof.gov.my/portal/en/news/press-citations/budget-2024-highlights - KUALA LUMPUR, Oct 13 (Bernama)

Our strong track record of successfully delivering numerous government projects continues to showcase our capabilities and build on the confidence of our initiatives. This established reputation positions AZRB as a leading candidate for upcoming tenders, engineering & construction and infrastructure contracts.

Petronas Office Complex.

CONCESSION

The commencement of toll collection from Section 1 of the EKVE is set to enhance AZRB's financial position by generating a steady stream of revenue, which will drive growth and operational expansion. Beyond toll revenue, the EKVE can generate additional income through non-toll sources such as outdoor advertising and the leasing of telecommunications towers, among others.

The improvement in government finances is also expected to translate to increased funding for healthcare facilities. This presents significant opportunities for PenMedic, especially with the need for renovations and improvements to existing facilities amid rising chronic diseases among an ageing population.

Plaza Tol Bandar Mahkota Cheras, EKVE.

Further, PenMedic can also benefit from the expansion of the PFI to develop and manage new healthcare facilities. The current shift towards outsourcing non-core hospital operations and advancements in digital health and smart hospitals further enhance our growth prospects.

Looking further ahead, we are exploring expansion into other Southeast Asian countries, where healthcare infrastructure development is a priority.

OIL & GAS

The TBSB is well-positioned to meet the increasing demand for supply based services, fabrication and maintenance services due to its strategic location. The expected increase in non-supply based business will also drive greater use of our yard and jetty services, with TBSB capable of handling the necessary manpower and space for offshore asset disposal.

We are actively attracting more potential clients for their production and drilling needs as well as for Carbon Capture Storage ("CCS"). TBSB is also equipped to support well intervention campaigns.

In addition, we are open to investors interested in our 120-hectare hinterland for acquisition or lease. The anticipated East Coast Rail Link further enhances TBSB's strategic value.

Tok Bali Supply Base.

PROPERTY DEVELOPMENT & HOSPITALITY

Although this Division is relatively small, it has the potential to increase its contributions to revenue and realise profits as we steadily enhance our reputation as a reliable developer of quality, affordable units.

In 2025, we plan to launch 14 single-storey semi-detached units for Tiara Paka Phase 4 and 41 single-storey terrace houses for Tiara Paka Phase 5 and introduce 16 single-storey bungalows for Tiara Paka Phase 6.

In Marang, we are preparing for the soft launch of 70 single-storey terrace houses for Puncak Temala Phase 2 in 2025, while we await approval for our amended Development Order and Building Plan to convert double-storey to single-storey terraces.

Residence Inn, Cherating.

BOARD OF DIRECTORS' PROFILE

TAN SRI DR MADINAH BINTI MOHAMAD
Independent Non-Executive Chairman

F **68** years old

DATE OF APPOINTMENT
16 August 2021

BOARD MEETING ATTENDANCE FOR FYE 2024:
12/12

Tan Sri Dr Madinah was appointed as an Independent Non-Executive Director of the Company on 16 August 2021 and was subsequently appointed as Chairman on 1 May 2023.

She holds a Doctorate in Human Resource Development, a Master's in Human Resource Development from Universiti Putra Malaysia and Bachelor's in Social Sciences (Political Science) from Universiti Sains Malaysia.

Tan Sri Dr Madinah began her career as an Administrative and Diplomatic Officer in 1981 with the Ministry of Foreign Affairs and has over 35 years' experience in public service, holding various positions in several ministries and departments, including as the Secretary General of the Ministry of Science, Technology & Innovation ("MOSTI") and the Secretary General of the Ministry of Education. She also served on the boards of multiple Government-Linked Companies ("GLCs"), most notably the Securities Commission Malaysia, Malaysia Digital Economy Corporation Sdn Bhd ("MDEC") and Malaysian Communications and Multimedia Commission ("MCMC").

In April 2009, Tan Sri Dr Madinah was appointed the Secretary General of MOSTI, where she was instrumental in policy formulation and implementation, directly responsible for the development of science, technology and innovation in Malaysia where she contributed significantly to the drafting and finalising of the National Space Policy and National Innovation Policy. Tan Sri Dr Madinah also developed and implemented the Malaysian Government's Biotechnology Policy, ICT Policy and National Science, Technology and Innovation Policy.

Tan Sri Dr Madinah served as the Secretary General of the Ministry of Education before her retirement in 2016. She held the position since 2013, where she was very much involved in policy guidance and administration and was directly involved in driving the education transformation agenda, which included creating a clear vision and direction for the execution of the Malaysia Education Blueprint 2013–2025 in order to meet the new demands and expectations of institutional stakeholders and the citizens of Malaysia.

Her final stint in public service was her appointment as the first female Auditor General of Malaysia, a position she held from 2017 until her contract ended in 2019.

Tan Sri Dr Madinah is also a member of Pengajian Program (JKPP) Program Bachelor Sains Pembangunan Sumber Manusia Dengan Kepujian, Fakulti Pengajian Pendidikan, Universiti Putra Malaysia.

Currently, Tan Sri Dr Madinah sits on the boards of Tomei Consolidated Berhad and Puncak Niaga Holdings Berhad as an Independent Non-Executive Director.

DATO' SRI WAN ZAKARIAH BIN HAJI WAN MUDA

Group Managing Director
Non-Independent Executive Director

M **64** years old

DATE OF APPOINTMENT
2 January 1999

BOARD MEETING ATTENDANCE FOR FYE 2024:
12/12

Dato' Sri Wan Zakariah was appointed as an Executive Director on 24 March 1999 and was subsequently appointed as Group Managing Director on 1 January 2003. He is presently the Chairman of the Employees' Share Scheme Committee and of the Remuneration Committee.

Dato' Sri Wan Zakariah obtained a Bachelor of Science in Quantity Surveying from the Thames Polytechnic, United Kingdom (now known as the University of Greenwich) in 1986. He joined Ahmad Zaki Sdn Bhd ("AZSB") in 1986 as a Quantity Surveyor and was appointed a Director of AZSB in 1994.

In 1996, Dato' Sri Wan Zakariah was promoted to the position of Managing Director of AZSB. Currently, he assumes the role of Vice Chairman of AZSB.

Dato' Sri Wan Zakariah sits on the board of several private limited companies and has no directorships in other public companies and listed issuers.

DATO' IR. W ZULKIFLI BIN HAJI W MUDA

Executive Director
Non-Independent Executive Director

M **62** years old

DATE OF APPOINTMENT

2 January 1999

BOARD MEETING ATTENDANCE FOR FYE 2024:

11/12

Dato' Ir. W Zulkifli was appointed as a Non-Executive Director on 2 January 1999. He was re-designated as the Executive Director on 1 March 2003 and was subsequently appointed as Deputy Group Managing Director (1) on 1 December 2017. He currently serves as Managing Director of Ahmad Zaki Sdn Bhd ("AZSB") and is the Executive Director of the Engineering & Construction Division. He sits on the Employees' Share Scheme Committee and Remuneration Committee as an ordinary member.

Dato' Ir. W Zulkifli holds a Bachelor of Science (Civil Engineering) Degree which, he obtained in 1985 from the University of Southern Illinois, United States of America. He began his career with AZSB as a Project Engineer in 1985. He was promoted to the position of Project Manager and was appointed the Executive Director (Operations) of AZSB in 1996. Dato' Ir. W Zulkifli was subsequently appointed as the Managing Director of AZSB on 7 February 2003.

Dato' Ir. W Zulkifli does not hold directorships in other public companies and listed issuers but sits on the board of several private limited companies.

DATO' ROSLAN BIN TAN SRI JAFFAR

Executive Director
Non-Independent Executive Director

M **48** years old

DATE OF APPOINTMENT

8 January 2015

BOARD MEETING ATTENDANCE FOR FYE 2024:

12/12

Dato' Roslan was appointed as an Executive Director of the Company on 8 January 2015 and on 1 December 2017 was appointed Deputy Group Managing Director (2). He currently serves as Executive Director of the Oil & Gas and Property Development & Hospitality Divisions. He sits on the Employees' Share Scheme Committee and on the Remuneration Committee as an ordinary member.

Dato' Roslan holds a Bachelor's Degree in Mechanical Engineering from Imperial College London, United Kingdom and is a Fellow of the Association of Chartered Certified Accountants ("ACCA"), United Kingdom.

Dato' Roslan joined the Company in 2010 as Chief Operating Officer and was appointed as an Executive Director of AZSB in the same year. Prior to joining the Company, he was with PricewaterhouseCoopers, where he worked in both the Assurance and Advisory divisions in both the Kuala Lumpur and Washington DC offices, specialising in the Infrastructure, Government and Utilities sectors.

Currently, he is the Vice Chair on the Board of Governors at an established international school in Kuala Lumpur and a member of the Board of Trustees of a Royal foundation.

Dato' Roslan does not hold directorships in other public companies and listed issuers but sits on the board of several private limited companies.

TAN SRI DATO' LAU YIN PIN @ LAU YEN BENG

Non-Independent Non-Executive Director

M **75** years old

DATE OF APPOINTMENT

15 November 2010

BOARD MEETING ATTENDANCE FOR FYE 2024:

11/12

Tan Sri Dato' Lau was appointed as an Independent Non-Executive Director of the Company on 15 November 2010. He was then re-designated as a Non-Independent Director on 1 June 2023, in line with the Main Market Listing Requirements of Bursa Securities that limits the tenure of an Independent Director to not more than a cumulative period of 12 years from the date of their first appointment. He is a member of the Audit and Risk Committee and of the Nomination Committee.

Tan Sri Dato' Lau obtained his Diploma in Commerce with distinction from Tunku Abdul Rahman College, Malaysia, now University of Management & Technology ("TAR UMT") Malaysia, in 1974. He has been a member of the Malaysian Institute of Accountants since 1979. He was made a Fellow of the Association of Chartered Certified Accountants ("ACCA"), United Kingdom, in 1981.

In 1987, he was admitted as a graduate member of the Institute of Chartered Secretaries and Administrators ("ICSA"), United Kingdom. In 2002, he was appointed a Senator of Dewan Negara by Seri Paduka Baginda Yang di-Pertuan Agong, Malaysia.

Tan Sri Dato' Lau had served as a Non-Independent Non-Executive Director and Chairman of the Board of Directors of Nanyang Press Holdings Berhad and Star Publications (Malaysia) Berhad, and as an Independent Non-Executive Director of YTL Power International Berhad and Media Chinese International Limited, a company listed on the Malaysian and Hong Kong stock exchanges. He also served on the Board of Tenaga Nasional Berhad in various capacities, including chairing the Board Audit Committee and a member of the Board Tender Committee and Board Disciplinary Committee. Tan Sri Dato' Lau also served as a Board Member of Tenaga Nasional Berhad's subsidiary companies.

Tan Sri Dato' Lau does not hold directorships in other public companies and listed issuers but sits on the board of several private limited companies.

DATO' IR. HAJI CHE NOOR AZEMAN BIN YUSOFF

Senior Independent Non-Executive Director

M **64** years old

DATE OF APPOINTMENT

14 October 2021

BOARD MEETING ATTENDANCE FOR FYE 2024:

12/12

Dato' Ir. Haji Che Noor Azeman was appointed as an Independent Non-Executive Director of the Company on 14 October 2021 and was appointed as a Senior Independent Director of AZRB on 1 June 2023. He is the Chairman of the Nomination Committee and a member of the Audit and Risk Committee.

Dato' Ir. Haji Che Noor Azeman graduated with an MSc. in Highway Engineering and a BSc. (Hons.) in Civil Engineering from the University of Strathclyde, United Kingdom. He is also a Professional Engineer with a Practicing Certificate from the Board of Engineers Malaysia, the Institution of Engineers Malaysia and an ASEAN Chartered Professional Engineer ("ACPE").

Dato' Ir. Haji Che Noor Azeman began his career with Jabatan Kerja Raya ("JKR"), Malaysia and has served JKR for almost 37 years, rising through the ranks until his last post as Director of Road & Bridge Engineering Specialist, Road Branch in JKR. He also served as the President of the Chartered Institution of Highways & Transportation Malaysia Branch ("CIHTMB") from 2019 to 2021.

Currently, he is serving as a Council Member for the Road Engineering Association Malaysia ("REAM") and also the Intelligent Transportation System of Malaysia ("ITSM") for the term 2023-2025.

Dato' Ir. Haji Che Noor Azeman does not hold directorships in other public companies and listed issuers, but sits on the board of several private limited companies.

DATO' HJ. WAN MOHD HILMI BIN WAN KAMAL
Independent Non-Executive Director

M 62 years old

DATE OF APPOINTMENT
15 March 2024

BOARD MEETING ATTENDANCE FOR FYE 2024:
1/1

Dato' Hj. Wan Mohd Hilmi Bin Wan Kamal was appointed as an Independent Non-Executive Director of the Company on 15 March 2024. He had served International Islamic University Malaysia ("IIUM") for 36 years, with his last role as the Executive Director of Development and Planning.

Dato' Hj. Wan Mohd Hilmi obtained his Bachelor's Degree in Accountancy from University Technology MARA in 1987 and is a member of the Malaysian Institute of Accountants.

Starting as an Assistant Bursar in 1987, Dato' Hj. Wan Hilmi rose through the ranks at IIUM and became the Director of Development Division in 1996. In 2002, he was the Director of Student Affairs of IIUM and subsequently, appointed as the Executive Director Management Services Division ("MSD")/ Registrar of IIUM from 2004 to 2015. He also served as the IIUM Company Secretary from 2006 until 2015. Additionally, Dato' Hj. Wan Hilmi was the Acting Chief Executive Officer ("CEO") of IIUM Holdings Sdn. Bhd. from 2010 until 2011.

During his tenure as Executive Director of Development and Planning, Dato' Hj. Wan Hilmi oversaw Energy Saving Projects worth RM40 million, resulting in the winning of the National Energy Award 2020.

In 2019, he led the establishment of the Sejahtera Centre for Sustainability and Humanity, steering IIUM to be recognised as the Regional Centre of Expertise ("RCE") on education for Sustainable Development by the United Nations University ("UNU") in April 2020 and further winning the Green Gown Award for the 2020 Best Sustainable Institution.

Dato' Hj. Wan Mohd Hilmi does not hold directorships in other public companies and listed issuers, nor in private limited companies.

MR LEE CHEE KHOON
Independent Non-Executive Director

M **52** years old

DATE OF APPOINTMENT
15 March 2023

BOARD MEETING ATTENDANCE FOR FYE 2024:
12/12

Mr Lee Chee Khoon was appointed an Independent Non-Executive Director of the Company on 15 March 2023. He is currently the Chairman of the Audit & Risk Committee and a member of the Nomination Committee.

Mr Lee Chee Khoon obtained his Master's Degree in Banking & Finance from the University of Sheffield, United Kingdom and obtained a Bachelor's Degree in Accounting & Economics from the University of Sydney, Australia. He is currently a member of the Malaysia Securities Commission and is a non-active member of the Hong Kong Securities and Futures Commission and the United Kingdom Financial Conduct Authority.

Mr Lee Chee Khoon started his financial advisory career as a Senior Associate with Price Waterhouse (Singapore) and subsequently moved to PricewaterhouseCoopers (PwC) London as Assistant Director (Corporate & Project Finance). In 2003, he was appointed as the Executive Director at the Kuala Lumpur office, specialising in Project Finance, Mergers & Acquisitions and Corporate Finance. He then joined RGMI (Singapore) in 2006 as the Head of Corporate Finance and acting Chief Financial Officer.

In 2007, he was appointed Chief Executive Officer at BNP Paribas Investment Bank (Securities) Malaysia and subsequently joined Kara Agrii II in 2010 as Chief Executive Officer. He moved to CIMB Investment Bank (Malaysia) in 2012 and has served CIMB Investment Bank in various capacities, holding the positions of Managing Director (Agri Business), Chief Executive Officer of North Asia Wholesale Banking, and from 2014 to 2017, he was appointed as the Chairman/Senior Managing Director/Chief Executive Officer at CIMB Securities Ltd (Hong Kong). In 2017, he was the Senior Managing Director of South East Asia at CIMB Investment Bank in Malaysia.

Mr Lee Chee Khoon is currently the Vice Chairman of Investment Banking at Mandiri Securities Pte Ltd (Singapore) and sits on the board of several private limited companies. He has no directorships in other public companies and listed issuers.

Notes:

Family Relationship:
Except for Dato' Sri Wan Zakariah Bin Haji Wan Muda and Dato' Ir. W Zulkifli Bin Haji W Muda are siblings, and Dato' Roslan Bin Tan Sri Jaafar is the son-in-law of Tan Sri Haji Wan Zaki Bin Haji Wan Muda, the Founder and Group Advisor of AZRB. None of the other Directors has any family relationship with other Directors and/or major shareholders of the Company.

Conflict of Interest:
Save as disclosed in the related party transactions on Note No. 39 in the Financial Statements of this Annual Report, none of the Directors have any conflict of interest with the Company during the financial period.

Convictions of Offences:
None of the Directors has been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

SENIOR MANAGEMENT PROFILES

MOHAMMAD FAUZI BIN HAJI AHMAD
Head of Concessionaire Division

M 58 years old

DATE JOINED:
3 October 2011

DATE OF APPOINTMENT TO CURRENT ROLE
6 November 2017

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Bachelor of Science in Civil Engineering, University of Pittsburgh, USA

WORK EXPERIENCE
- Radicare (M) Sdn Bhd (2001 to 2005)
- Abrar-Manfield Consortium (1996 to 2001)
- Kuala Lumpur City Centre (KLCC) (1993 to 1996)
- Projek Penyelenggaraan Lebuhraya (PROPEL) (1990 to 1993)
- Pengurusan Lebuhraya Berhad (PLB) (1989 to 1990)

HAYATI BINTI TAMZIR
Head of Contracts & Commercial, Engineering & Construction Division

F 58 years old

DATE JOINED:
2 January 2018

DATE OF APPOINTMENT TO CURRENT ROLE
1 June 2019

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Bachelor of Building, New South Wales University, Sydney, Australia

WORK EXPERIENCE
- UEM Builders Berhad, posted in India (2010 to 2017)
- Pembinaan Bintang Baru Sdn Bhd (2010)
- Syarikat Siah Brothers Trading Sdn Bhd (1990 to 2010)

WAN RAZALI BIN W ZULKIFLI
Head of Operations, Engineering & Construction Division

M 36 years old

DATE JOINED:
2 January 2018

DATE OF APPOINTMENT TO CURRENT ROLE
1 January 2023

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Master of Science in Management, Imperial College Business School, London, UK
- Master in Engineering: ACGI Civil & Environmental Engineering, Imperial College, London, UK

WORK EXPERIENCE
- VINCI Construction Grands Projects Sdn Bhd, Malaysia (2016-2018) & (2013-2014)
- VINCI Construction Grands Projects, Rueil Malmaison, France (2016)

SHAHRULANUAR ISHAK
Head of Group Strategy and Group Chief Financial Officer

M 49 years old

DATE JOINED:
1 December 2021

DATE OF APPOINTMENT TO CURRENT ROLE
1 April 2023

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Member of Malaysian Institute of Accountants (MIA)
- Fellow of the Association of Chartered Certified Accountants (ACCA), UK
- BA (Hons) Accounting and Finance, De Montfort University, Leicester, UK
- Diploma in Islamic Banking and Insurance, Institute of Islamic Banking and Insurance, London

WORK EXPERIENCE
- Rohas Tecnic Berhad (2016 to 2021)
- Syarikat Takaful Malaysia Berhad (2015 to 2016)
- Deloitte Malaysia (2015 to 2015)
- Maxis Berhad (2011 to 2015)
- KPMG Malaysia (1999 to 2011)

GAY SAW GHIN LYE
Director, Group Legal

F 67 years old

DATE JOINED:
1 October 2020

DATE OF APPOINTMENT TO CURRENT ROLE
1 February 2022

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Council of Higher Legal Education, London, UK (Lincoln's Inn)
- LL.B (Hons.) University of London, UK

WORK EXPERIENCE
- UEM Builders Berhad (2008 to 2019)
- Ninebio Sdn Bhd (2007 to 2008)
- M/s Abu Talib Shahrom & Zahari (1993 to 2007)
- M/s Cheang & Ariff (1991 to 1993)
- M/s Abdul Ghani & Co. (1988 to 1991)
- M/s Mokhtar & Co. (1986 to 1988)

MOHD HARON BIN MOHD IDRIS
Director, Group Security

M 58 years old

DATE JOINED:
2 July 2007

DATE OF APPOINTMENT TO CURRENT ROLE
1 May 2020

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Executive Diploma in Management, Universiti Teknologi Malaysia
- Diploma in Hotel & Management, National Restaurant Association USA

WORK EXPERIENCE
- DISD Coordinator Foreign Affairs (2006 to 2007)
- Staff Assistant to Defence Advisor, Malaysian High Commission in Islamabad, Pakistan (2002 to 2006)
- Counter Intelligence Instructor – PULARIS (2000 to 2002)
- DISD Surveillance & Interrogation Coordinator (1998 to 2000)
- Chief of Security Detachment Ipoh, Perak (1995 to 1998)
- Chief of Security Detachment Butterworth, Penang (1993 to 1995)
- DISD Counter Intelligence Group (1987 to 1993)

SHAHID BIN ABDULLAH
Group Financial Controller

M 49 years old

DATE JOINED:
17 January 2022

DATE OF APPOINTMENT TO CURRENT ROLE
1 August 2022

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Fellow of the Association of Chartered Certified Accountants (ACCA), UK
- BA. Hons Accounting & Finance (Lancaster University, Lancaster, UK)

WORK EXPERIENCE
- Sapura Resources Berhad (2013 to 2022)
- Maxis Berhad (2012 to 2013)
- Sapura Resources Berhad (2007 to 2011)
- Dawama Sdn Bhd (2002 to 2007)
- KPMG, Kuala Lumpur (1999 to 2002)

SUZANA BINTI SANUDIN
Group Company Secretary

F 56 years old

DATE JOINED:
15 April 2022

DATE OF APPOINTMENT TO CURRENT ROLE
13 May 2022

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Licensed by the Companies Commission of Malaysia
- Bachelor of Science (Accounting/Law), De Monfort University, Leicester, UK

WORK EXPERIENCE
- Boustead Heavy Industries Corporation Berhad (2008 to 2022)
- MK Land Holdings Berhad (1995 to 2008)

NUR HASMIN BIN KAMAROLLZAMAN
General Manager, TB Supply Base Sdn Bhd

M 44 years old

DATE JOINED:
25 April 2022

DATE OF APPOINTMENT TO CURRENT ROLE
25 April 2022

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Bachelor of Science in Applied Geology, University Malaya
- Member of the Geological Society of Malaysia (GSM)
- Member of the Society of Petroleum Engineers

WORK EXPERIENCE
- Viddacom (B) Sdn Bhd (2014 to 2022)
- Halliburton Energy Services (M) Sdn Bhd (2012 to 2014)
- Varel International (2010 to 2012)
- Smith International (2008 to 2010)
- Geoservices (2005 to 2008)

HAMKAMARUL BAHRIN BIN MOHAMAD
General Manager Operation, Inter-Century Sdn Bhd

M **58** years old

DATE JOINED:
1 September 1996

DATE OF APPOINTMENT TO CURRENT ROLE
1 January 2010

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Diploma in Automotive Engineering

WORK EXPERIENCE
- Perwaja Steel (1993 to 1996)

MOHD NASIR BIN MOHD NOOR
Head of Property Development

M **47** years old

DATE JOINED:
4 October 2021

DATE OF APPOINTMENT TO CURRENT ROLE
4 October 2021

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Master of Science (Construction Management), Universiti Teknologi Malaysia
- B. SC, Property Management, University Teknologi Malaysia

WORK EXPERIENCE
- Real Estate/Development Advisor/Consultant (2021)
- MK Land Holding Bhd (2017 to 2020)
- Glenmarie Properties Sdn Bhd (2010 to 2017)
- UM Land Bhd (2002 to 2010)
- Hakimi & Associates Sdn Bhd (2000 to 2002)

WAN RAMZI BIN HAJI WAN MUDA
Head of Hospitality

M **56** years old

DATE JOINED:
1 October 1993

DATE OF APPOINTMENT TO CURRENT ROLE
1 April 2014

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Degree in Economics - California State University, Sacramento, USA
- Diploma in Computer Science - Mara Community College

WORK EXPERIENCE
- Zaki Holdings Sdn Bhd (1993 to 1996)

AMLI BIN SAPRIN
Head, Group Human Resources & Administration

M 59 years old

DATE JOINED:
15 January 2024

DATE OF APPOINTMENT TO CURRENT ROLE
1 July 2024

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Bachelor of Human Resource Management, Open Universiti Malaysia
- Diploma in Public Administration, Universiti Teknologi Mara
- Certificate in Human Resource Management - Malaysian Institute of Human Resource Management

WORK EXPERIENCE
- Freelance HR Consulting Services (2021 to 2023)
- Boustead Heavy Industries Corporation Bhd (2018 to 2021)
- EURO Malaysia Sdn Bhd (2017 to 2018)
- Sibelco Malaysia Sdn Bhd (2013 to 2016)
- SGS Malaysia Sdn Bhd (2002 to 2012)
- Beiersdorf Malaysia Sdn Bhd (1995 to 2002)
- CAM Precision Components Sdn Bhd (1994 to 1995)
- SNC Industrial Laminates (1991 to 1994)
- Pasir Gudang Edible Oil Sdn Bhd (1989 to 1991)
- Nalin Industries Sdn Bhd (1986 to 1988)

ROZMAN BIN SHARIFF
Head, Group Corporate Assurance

M 64 years old

DATE JOINED:
15 August 2023

DATE OF APPOINTMENT TO CURRENT ROLE
15 August 2023

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Advanced Diploma in Business Studies (Marketing), Universiti Teknologi Mara
- Diploma in Banking Studies, Universiti Teknologi Mara
- Certification in Training – Train the Trainer (HRDF).
- The Certified Compliance Officers' Programme ("CCOP") – Ahmad Ibrahim Kulliyyah of Laws ("UIA")
- ASEAN Risk Awards – Risk Manager of the Year 2018, Enterprise Risk Management Academy ("ERMA")

WORK EXPERIENCE
- Boustead Heavy Industries Corporation Berhad (2013 to 2020)
- Bank Simpanan Nasional Malaysia (2011 to 2013)
- Standard Chartered Bank (2011)
- Maybank (1993 to 2010)

NADIA BINTI HANAFIAH
Head, Group Corporate Communications & Sustainability

F **55** years old

DATE JOINED:
1 August 2023

DATE OF APPOINTMENT TO CURRENT ROLE
1 August 2023

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Master of Business Administration, Cardiff University, Wales
- ICSA-Malaysian Institute of Chartered Secretaries & Administrators
- Diploma in Accountancy, Universiti Teknologi Mara
- ACCA-Association of Chartered Certified Accountants (Paper 8-Module D) (Partial)

WORK EXPERIENCE
- Yayasan UEM (2019 to 2020)
- UEM Group Berhad (2010 to 2018)
- UEM Builders Berhad (2007 to 2010)
- UEM Construction Sdn Bhd (2002 to 2006)
- PUTRA-LRT (Renong Group) (2000 to 2002)
- Garden International School (MBF Education) (1996 to 1997)
- Guthrie Malaysia Trading Corp Sdn Bhd (1995)
- Bukit Dedap Sdn Bhd (1991 to 1993)

ZAIRIN ILENA BINTI ISMAIL
Head, Group IT & ERP

F **48** years old

DATE JOINED:
24 May 2021

DATE OF APPOINTMENT TO CURRENT ROLE
24 May 2021

ACADEMIC/PROFESSIONAL QUALIFICATION(S)
- Diploma in Computer Science, Universiti Teknologi Mara

WORK EXPERIENCE
- MMC Gamuda KVMRT (T) Sdn Bhd (2015 to 2021)
- Hitachi Sunway Information Systems Sdn Bhd (2009 to 2015)
- Doe Industries Sdn Bhd (2000 to 2009)

Notes:

Family Relationship:
Except for Wan Razali Bin W Zulkifli, the son of Dato' Ir. W Zulkifli Bin Haji W Muda, the director of AZRB, and Wan Ramzi Bin Haji Wan Muda, who are the siblings of Tan Sri Haji Wan Zaki Bin Haji Wan Muda, the Founder and Group Advisor of AZRB, and Dato' Sri Wan Zakariah Bin Haji Wan Muda. None of the other Senior Management has any family relationship with other Directors and/or major shareholders of the Company.

Conflict of Interest:
Save as disclosed in the related party transactions on Note No. 39 in the Financial Statements of this Annual Report, none of the Senior Management has any conflict of interest with the Company during the financial period.

Convictions of Offences:
None of the Senior Management has been convicted of any offence within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

Directorship in Public Companies and Listed Issuers
None of the Senior Management has any directorship in public companies and listed issuers.

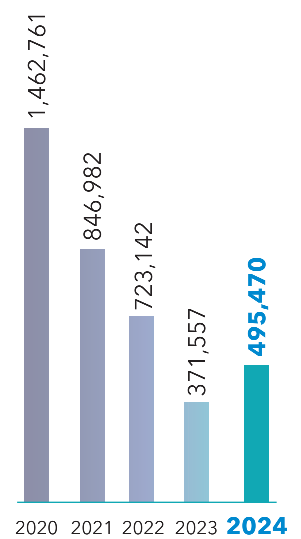
5-YEAR FINANCIAL HIGHLIGHTS

GROUP FIVE-YEAR SUMMARY

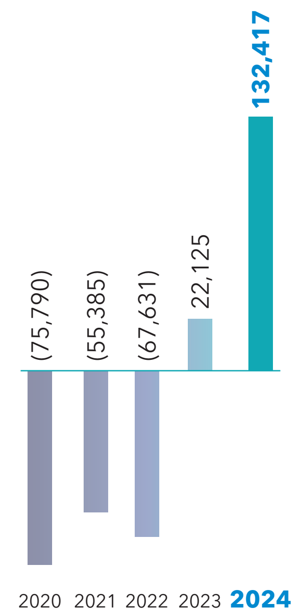
	2020	2021	(Restated) 2022	(Restated*) 2023	2024
Revenue (RM '000)	1,462,761	846,982	723,142	371,557*	**495,470**
Profit/(Loss) Before Taxation (RM '000)	(75,790)	(55,385)	(67,631)	22,125*	**132,417**
Profit/(Loss) Attributable to Owners of the Company (RM '000)	(98,321)	(68,637)	(76,758)	(89,231)	**95,130**
Paid-up Capital (RM '000)	197,536	197,536	197,536	197,536	**237,635**
Shareholders' Funds (RM '000)	355,098	296,331	174,458	67,246	**199,532**
Net Tangible Assets Per Share (Sen)	51	40	20	(0.6)	**21**

Source:
Extracted from audited financial statements 30 June FYE 2020 - FYE 2024.

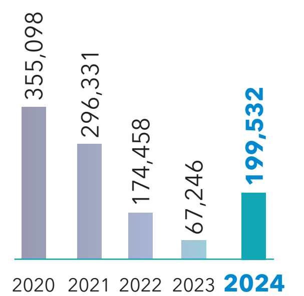
REVENUE (RM'000)



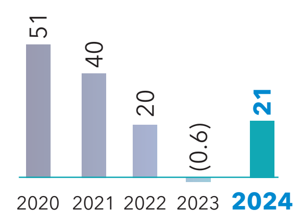
PROFIT/(LOSS) BEFORE TAX (RM'000)



SHAREHOLDERS' FUNDS (RM'000)



NET TANGIBLE ASSETS PER SHARE (Sen)



CALENDAR OF EVENTS

1

21 SEPTEMBER 2023
Menara AZRB

AZRB Auxiliary Police Certificate Presentation Ceremony by PDRM - JPJKK Bukit Aman

2

16 NOVEMBER 2023
TBSB

"Penarafan Bintang Sasaran Penting Tahun 2023" Award

3

12 DECEMBER 2023
Menara AZRB

26th Annual General Meeting (AGM) 2023

4

15 JANUARY 2024
RIC, Cherating

Anti-Bribery and Anti-Corruption ("ABC") Programme with MACC.

5

22 FEBRUARY, 2024
Menara AZRB

Majlis Solat Hajat & Bacaan Yasin

6

22 FEBRUARY 2024
Menara AZRB

SOCSO Free Health Screening Programme for AZRB Head Office, AZSB and Business Units at the West Coast including EKVE, Pen Medic and AZ Land employees, conducted by Klinik As-Salam at HQ

7

5 MARCH 2024
Menara AZRB

Anti-Bribery and Anti-Corruption Programme with MACC.

8

1 APRIL 2024
Seminar Room, Menara AZRB

Counter at the Federal Territory Zakat Collection Centre

9

28 APRIL 2024
Menara AZRB

Sambutan Hari Raya Aidilfitri AZRB 2024

AWARDS AND RECOGNITIONS

3-Star Award - SCORE Certificate of Achievement

CIDB Malaysia & SME Corp Malaysia

2024

5-Star Award - SHASSIC SCORE 95.53% for POC Project

CIDB Malaysia

2022

PAM Awards 2022 for Excellence in Architecture (PAM Award Gold-Special Category) for Saloma Link.

Malaysian Institute of Architects

2022

Best IR Website (Micro-cap Company Category)

Malaysian Investor Relations Association (MIRA)

2019

Best Company for IR (Micro-cap Company Category)

Malaysian Investor Relations Association (MIRA)

2019

5-Star SHASSIC Achiever Award for BBCC Project

CIDB Malaysia

2020

38th MSOSH Occupational Safety and Health Awards: Silver Award for KVMRT Package V202 Project

Malaysian Society for Occupational Safety and Health (MSOSH)

2019

Merit Award - Most Improved Corporate Governance Disclosure 2018

Minority Shareholders Watch Group (MSWG)

2019

PAM Award Commendation: Commercial High-Rise (for Menara Kerja Raya)

Pertubuhan Arkitek Malaysia

2015

Green Building Index Platinum Rating Certification: Main Contractor

Green Building Index Sdn Bhd

2016

The Malaysian Construction Industry Excellence Awards 2017: The Best Project Award (Building Project – Major Category)

CIDB Malaysia

2017

The Malaysian Construction Industry Excellence Awards 2013: The Best Project Award (Building Project – Medium Category for Menara AZRB)

CIDB Malaysia

2013

PAM Award Gold: Commercial High-Rise Office (for Menara AZRB)

Pertubuhan Arkitek Malaysia

2013

The Malaysian Construction Industry Excellence Awards 2011: Special Mention Award (Environment) – Environmental Best Practices Award

CIDB Malaysia

2011

The Malaysian Construction Industry Excellence Awards 2011: CEO of The Year

CIDB Malaysia

2011

Sustainable INFRASTAR Rating Certificate for MRT V202/S202 Project

MMC Gamuda

2022

39th MSOSH Occupational Safety and Health Awards: Gold Class 2 for Petronas Office Complex Project

Malaysian Society for Occupational Safety and Health (MSOSH)

2021

5-Star SHASSIC Achiever Award for UTP Project

CIDB Malaysia

2020

QLASSIC Score 82% for Block A POC Project

CREAM-
CIDB Malaysia

2021

QLASSIC Score 84% for UTP Project

CREAM-
CIDB Malaysia

2021

5-Star Award - SCORE Certificate of Achievement

CIDB Malaysia &
SME Corp Malaysia

2018

4-Star Award - SCORE Certificate of Achievement

CIDB Malaysia &
SME Corp Malaysia

2018

GOLD Safety Award 2018 – East Klang Valley Expressway 5.5 Million Man-Hours Without Lost Time Injury (LTI)

Kementerian Kerja Raya &
Lembaga Lebuh Raya

2018

The Malaysian Construction Industry Excellence Awards 2017: Green Construction Award

CIDB Malaysia

2017

The Malaysian Construction Industry Excellence Awards 2017: Builder of the Year Award

CIDB Malaysia

2017

Best Under Billion Awards 2018 - Best Sustainability Reporting (RM150 Million to RM499 Million Market Cap Category)

Focus Malaysia

2018

5-Star SHASSIC Award - Sistem Penilaian Keselamatan dan Kesihatan Dalam Pembinaan

CIDB Malaysia

2018

Bumiputera Entrepreneur Award 2010: Construction Cluster Award (Infrastructure)

Gagasan Badan Ekonomi Melayu (GABEM)

2010

The Malaysian Construction Industry Excellence Awards 2006: Builder of the Year Award

CIDB Malaysia

2006

The Malaysian Construction Industry Excellence Awards 2000: Builder of the Year Award

CIDB Malaysia

2000

AZRB
AHMAD ZAKI RESOURCES BERHAD

EKVE
EAST KLANG VALLEY EXPRESSWAY

SUSTAINABILITY STATEMENT

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52 ESG STRATEGY 1
ECONOMY : ENHANCING ECONOMIC VALUE

56 ESG STRATEGY 2
WELLBEING : CULTIVATING A HEALTHY & SAFE WORKPLACE

66 ESG STRATEGY 3
NATURE : REDUCING ENVIRONMENTAL FOOTPRINT

75 ESG STRATEGY 4
SOCIAL : ENHANCING LOCAL COMMUNITY

76 LOOKING AHEAD

COMMITTED TO TRANSFORMATION IN OUR SUSTAINABILITY STEWARDSHIP (GRI 2-22)

Ahmad Zaki Resources Berhad ("AZRB") reaffirms its commitment to being a forward-thinking and responsible business by intensifying efforts to improve, track and report on sustainability initiatives.

Recognising that transparency and accountability are crucial to our sustainability and growth, our strategy focuses on enhancing human capital, strengthening our financial foundation and leveraging technological advancements. We are moving beyond regulatory compliance by closely monitoring our Economic, Environmental, Social and Governance ("EESG") performance. We are cognisant of embedding best practices that will put AZRB back on the path to profitability. Hence, establishing and continuously assessing the Group's EESG strategic framework is essential for continuous improvement in sustainability performance.

In driving our business performance, we acknowledge the importance of addressing critical issues impacting our diverse stakeholders. These include natural resource consumption, energy use, GHG emissions, biodiversity, occupational health and safety, talent development and community-related investments.

DATO' ROSLAN TAN SRI JAFFAR
Executive Director

We are also aware of existing and emerging risks that could impact the Group. Our framework facilitates regular data reviews, allowing us to identify opportunities for enhancement and implement strategies that drive positive outcomes. This proactive approach enables us to tackle emerging challenges while meeting evolving standards and expectations.

Given our high reliance on labour, health and safety remain a priority within our core businesses of Engineering & Construction, Oil & Gas Services, Concession and Property Development & Hospitality. Similarly, governance is crucial due to the complexity of contracts, competitive bidding processes and the need to engage with public and private stakeholders to prevent bribery, corruption, and anti-competitive behaviour.

The environmental agenda is vital across all industries, particularly as the construction sector is responsible for approximately 24% of national GHG emissions. Therefore, carbon reduction and environmental initiatives are imperative for contractors. Most emissions during the construction process stem from the embodied carbon of materials (90%), with an additional 7% occurring on-site and the remaining 3% from transportation (*Source: Carbon Emissions in Malaysia's Construction Industry, CIDB Malaysia Final Report, June 2020*).

We remain cautiously optimistic that strategic sustainability initiatives can enhance operational efficiency, leading to cost reductions and strengthening supply chain resilience. With our extensive experience and technical expertise, we aim to optimise resource use, minimise waste and comply with evolving regulations while encouraging innovation.

These sustainability practices underpin the Group's approach to position AZRB to mitigate future challenges while contributing to a more sustainable and equitable future. We intend to drive immediate cost savings and operational improvements in the short term. Over the medium term, we aim to build resilience, enhance capacity, adapt to market shifts and meet stakeholder expectations.

In the long term, we seek to secure the Group's leadership in sustainable development, ensuring continued growth, value creation and reduced environmental impact. We are determined to deepen our knowledge and advance our sustainability journey, building trust and cultivating stronger relationships with investors, customers, communities and authorities to reinforce our role as a responsible and progressive corporate entity.

ABOUT THE SUSTAINABILITY STATEMENT (GRI 2-1 to 2-5, 2-22)

This seventh edition of AZRB's Sustainability Statement ("the Statement") presents a comprehensive overview of key Economic, Environmental, Social and Governance ("EESG") matters. It highlights data, initiatives and performance of subsidiary companies and divisions within the Group in Malaysia, where applicable.

REFERENCES AND GUIDELINES

(GRI 2-1 to 2-3)

This Statement adheres to the frameworks and guidelines of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR"), Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and Bursa Malaysia Corporate Governance Guide. This Statement also refers to the FTSE4Good Bursa Malaysia ("F4GBM") Index criteria and the guidelines of the Global Reporting Initiative ("GRI").

PRINCIPAL GUIDELINES

- Bursa Securities MMLR
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Bursa Malaysia Corporate Governance Guide.

SUPPLEMENTARY GUIDELINES

FTSE4Good

- FTSE4Good Bursa Malaysia Index Rating Guide

GRI

- Global Reporting Index - Universal Standard Guidelines

COMMITMENT

-United Nations Sustainable Development Goals

https://www.un.org/sustainabledevelopment/news/communications-material/

SUSTAINABLE DEVELOPMENT GOALS

REPORTING PERIOD, SCOPE AND BOUNDARY

(GRI 2-1, 2-2, 2-3, 2-26)

Reporting Period: 1 July 2023 to 31 June 2024.

This Statement discloses all four divisions of AZRB Group, comprising Engineering & Construction ("E&C"), Oil & Gas ("O&G"), Concession and Property Development & Hospitality ("Property").

CONTACT US

(GRI 2-3, 2-26)

We welcome your feedback to improve our initiatives in addressing our stakeholders' concerns. Comments and suggestions can be raised to sustainability@azrb.com.

ENGINEERING & CONSTRUCTION

PNB 1194
Jalan Sultan Ismail, Kuala Lumpur
35-storey office block & 50-storey hotel tower.

PETRONAS OFFICE COMPLEX ("POC")
Kerteh, Kemaman, Terengganu Darul Iman
Petronas office complex and Petronas 1 operations complex, new annexe building, infrastructure and landscaping works.

KUALA LUMPUR OUTER RING ROAD ("KLORR")
Sg. Long - Kajang - Ukay Perdana in Ulu Klang, Selangor Darul Ehsan
Dual two-lane EKVE with a total length of 39.66 kilometres ("km").

PNB 118
Jalan Hang Jebat, Kuala Lumpur
Construction of Jalan Hang Jebat, Jalan Kenanga and Chin Woo Tunnels and associated works for PNB 118.

TANJUNG LUMPUR, KUANTAN ("TGLK")
Tanjung Lumpur, Kuantan, Pahang Darul Makmur
Dual two-lane bridge across Sungai Kuantan to connect Kuantan City and Tanjung Lumpur, including the Kuantan Putra Bridge fly-over.

MASJID BANDARAYA KOTASAS ("MBK")
Kota Sultan Ahmad Shah, Kuantan, Pahang Darul Makmur
Development of city mosque.

PROJEK JALAN PINTAS CAMERON HIGHLANDS ("CAM")
Cameron Highlands, Pahang Darul Makmur
Upgrading and construction of new road from McDonald's roundabout to Brinchang/Time Tunnel (ft 59) junction and at Kea Farm, Cameron Highlands, Pahang.

ISTANA ABU BAKAR, PEKAN ("IAB")
Pekan, Pahang Darul Makmur
Upgrading and renovation works of Istana Abu Bakar.

OIL & GAS

TB SUPPLY BASE SDN. BHD. ("TBSB")
Tok Bali, Kelantan Darul Naim
Integrated support services and facilities for O&G industry, offshore Peninsular Malaysia and Gulf of Thailand.

INTER-CENTURY SDN. BHD. ("ICBS")
Kerteh, Kemaman, Terengganu Darul Iman
Supply of marine fuel products and lubricants at Kemaman Supply Base to support clients' offshore O&G platform operations in the East Coast of Peninsular Malaysia.

CONCESSION

PENINSULAR MEDICAL SDN. BHD. ("PenMedic")
Kuantan, Pahang Darul Makmur
25-year concession contract with International Islamic University of Malaysia ("IIUM") and the Ministry of Higher Education to design, build, finance and maintain the 300-bed Sultan Ahmad Shah Medical Centre ("SASMEC") teaching hospital.

EAST KLANG VALLEY EXPRESSWAY ("EKVE")
Sungai Long, Kajang to Ukay Perdana, Ulu Klang, Selangor
50-year concession contract with the Ministry of Works for the design, construction, operation and maintenance of the EKVE. The expressway is currently under construction.

PROPERTY DEVELOPMENT & HOSPITALITY

TEMALA DEVELOPMENT SDN. BHD. ("TDSB")
Bukit Payung, Marang, Terengganu Darul Iman
Laman Temala is a 67-acre intergrated township comprising five main phases of residential and commercial development.

- Phase 1, consisting of 102 units of double storey terrace houses under the Perumahan Penjawat Awam Malaysia ("PPAM") Scheme Laman Temala, 100% sold out and completed in September 2021.
- Phase 2, consisting of 70 units of single storey terrace houses, is in the process of obtaining approvals for launching from the relevant authorities.

KEMAMAN TECHNOLOGY & INDUSTRIAL PARK SDN. BHD. ("KTIP")
Paka, Dungun, Terengganu Darul Iman
Approximately 303 acres of intergrated development that consists of five main phases of 80 acres residential development known as Tiara Paka and 223 acres of commercial and industrial development, known as Taman Industri Paka.

- Construction is ongoing for 49 units of single storey terrace houses in Phase 2 and 35 units of single storey terrace houses in Phase 3. These two phases are 100% sold out.
- Phase 4 consists of 14 units single storey semi-D houses and 41 units single storey terrace houses and currently is in the process of obtaining advertising permits from the Ministry of Housing and Local Government.

RESIDENCE INN AND MOTEL SDN BHD
Residence Inn Cherating ("RIC")
Mukim Sungai Karang, Kuantan, Pahang Darul Makmur
RIC, a 3-Star hotel, offers 138 rooms featuring facilities such as a fitness center, training rooms, swimming pool, poolside bar and EV car power charging station.

STAKEHOLDER ENGAGEMENT (GRI 2-29)

Engaging with stakeholders is key to addressing their interest about our business performance, operations and activities. By understanding their needs and expectations, we are better placed to incorporate them into our decision-making and nurture strong relationships.

STAKEHOLDERS	ENGAGEMENT CHANNEL (FREQUENCY)	STAKEHOLDERS' INTEREST	HOW WE ADDRESS (RELEVANT SECTIONS)
BOARD	▶ Board Meetings (Quarterly) ▶ Ongoing Communications (Periodic) ▶ Directors' Training (Throughout the year) ▶ General Meeting (Annually)	▶ Growth and strategic direction of the Company ▶ Group's financial performance ▶ Governance, risk and control ▶ Economic, Environmental and Social Risks and Opportunities	▶ Financial Statements ▶ Corporate Governance ▶ Sustainability Statement ▶ Performance Driven
SHAREHOLDERS AND INVESTORS	▶ Financial Results Announcement (Quarterly) ▶ General Meeting (Annually) ▶ Annual Report (Annually) ▶ Corporate Website (Throughout the year) ▶ Press Releases (As and when required) ▶ Equity/ Stakeholders' Queries (As and when required)	▶ Group's financial performance ▶ Corporate governance, laws and regulations compliance, ethical business conduct, risk management ▶ Mergers and acquisitions, new business opportunities ▶ Group's position within the industry ▶ Level of ESG practice, compliance and adherence to MMLR	▶ Financial Statements ▶ Corporate Governance ▶ Sustainability Statement ▶ Performance Driven ▶ Initiatives disclosed in Sustainability/ EESG/ ESG Questionnaires
GOVERNMENT AGENCIES/ REGULATORS/ LOCAL AUTHORITIES	▶ Regular meetings with regulators (Periodic) ▶ Regular consultations (Periodic) ▶ Site inspections/Audits (Periodic) ▶ Reporting i.e. Monitoring Reports (Periodic) ▶ Monitoring of Compliance & Contractual Obligations (Ongoing) ▶ Annual Report (Annually) ▶ Equity/ Stakeholders' Queries (As and when required)	▶ Approvals and permits ▶ Laws and regulations compliance ▶ Annual reporting ▶ Contributions to the economy, local community ▶ Labour practices, environmental and health issues ▶ Ethical Business Practices ▶ Strong corporate governance ▶ Level of ESG practice, compliance and adherence to MMLR	▶ Sustainability Strategy addressing: (i) **MM 1:** Economic and Business Performance (ii) **MM 4:** Health, Safety and Environment (iii) **MM 5:** Diversity, Inclusivity and Social Justice
CLIENTS/ CUSTOMERS	▶ Feedback and enquiry templates (Periodic) ▶ Customer/Client satisfaction survey (Annually) ▶ Regular meetings with clients (Periodic) ▶ Site Visits (Ongoing) ▶ AIQA assessments (Quarterly) ▶ Corporate Website (Throughout the year)	▶ Progress completion of project ▶ Quality of deliverables ▶ Health, safety and environmental compliance	▶ Sustainability Strategy addressing: (i) **MM 2:** Quality and Innovation (ii) **MM 4:** Health, Safety and Environment
EMPLOYEES	▶ Training Calendar (Throughout the year) ▶ On-Site Work Safety Training (Periodic) ▶ Team building activities (As and when required) ▶ Staff e-Portal (Throughout the year)	▶ Career development ▶ Employee's training/Knowledge and skills enhancement ▶ Safety and health at workplace ▶ Work-life balance ▶ Employee's benefits and rewards ▶ Attractive remuneration	▶ Sustainability Strategy addressing: (i) **MM 4:** Health, Safety and Environment (ii) **MM 5:**Diversity, Inclusivity and Social Justice

STAKEHOLDER ENGAGEMENT

STAKEHOLDERS	ENGAGEMENT CHANNEL (FREQUENCY)	STAKEHOLDERS' INTEREST	HOW WE ADDRESS (RELEVANT SECTIONS)
EMPLOYEES	▶ Annual performance appraisal (Annually) ▶ Engagement & Dialogue sessions (Ongoing) ▶ Intranet (Ongoing) ▶ Festive Gathering (Annually) ▶ Free/ Subsidised Employee Health-Screening (Annually) ▶ HSE/ ESG Awareness Programmes (Ongoing)	▶ Diversity and inclusivity ▶ Fostering employee engagement ▶ Health/ Medical Assistance ▶ ESG/ Sustainability awareness Requirements/ MMLR.	
VENDORS SUPPLIERS/SUB-CONTRACTORS	▶ Contract Negotiations and Bidding Opportunities (As and when required) ▶ Suppliers/Sub-Contractors Audit and Evaluation (Annually) ▶ Vendor Registration Screening (pre-qualification of suppliers and sub-contractors) (Periodic) ▶ Performance Reviews (Suppliers, sub-contractors and consultants performance evaluations) (Annually)	▶ Cost of services ▶ Quality and timely delivery ▶ Compliance issues ▶ Contractual terms ▶ Knowledge transfer and capacity building ▶ Fair procurement process	▶ Sustainability Strategy addressing: (i) **MM 3**:Supply Chain Management
MEDIA	▶ Press Releases (As and when required) ▶ Advertisements (As and when required) ▶ Announcements (As and when required)	▶ Company development ▶ Financial and business updates ▶ Community development initiatives ▶ Communication of corporate updates & news ▶ Public service announcements i.e. on road closures, traffic disruptions etc ▶ Company Reputation	▶ Sustainability Strategy addressing: (i) **MM 1:** Economic and Business Performance (ii) **MM 4:** Health, Safety and Environment
COMMUNITIES	▶ Corporate Social Responsibility Activities (Throughout the year) ▶ Community engagement, enviromental initiatives and outreach programmes (As and when required) ▶ Strategic Partnership (As and when required) ▶ Dialogue Sessions (Ongoing)	▶ Impact of operations on community (i.e. health, safety, environmental and security) ▶ Charity and giving donation ▶ Local community development ▶ Staying connected with the company ▶ Access to project information	▶ Sustainability Strategy addressing: (i) **MM 1:** Economic and Business Performance (ii) **MM 4:** Health, Safety and Environment (iii) **MM 5:** Diversity, Inclusivity and Social Justice
CIVIL SOCIETY ORGANISATIONS	▶ Collaborative Engagement Sessions (As and when required)	▶ Health, safety and environmental issues ▶ Security issues ▶ Human rights ▶ Local community support	▶ Sustainability Strategy addressing: (i) **MM 4:** Health, Safety and Environment (ii) **MM 5:**Diversity, Inclusivity and Social Justice

MM: Material Matters

SUSTAINABILITY ROADMAP (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3)

Since embarking on our sustainability journey in 2017, AZRB has integrated ESG factors into our core economic objectives, which include driving profitability, enhancing operational efficiency and fostering long-term resilience. Our commitment to sustainability is not just an ethical imperative but a strategic approach that enhances our competitive advantage.

Drive Profitability:
We recognise that sustainable practices can lead to cost savings, particularly in resource management and energy efficiency. By reducing waste and optimising resource use, we improve our bottom line while contributing to environmental stewardship.

Enhance Operational Efficiency:
Implementing sustainable processes enables us to streamline operations, minimise risks and enhance productivity. For instance, utilising sustainable materials and adopting innovative technologies can improve project delivery timelines and reduce operational costs.

Attract Investment:
As investors increasingly prioritise ESG criteria, our commitment to sustainability positions AZRB as a desirable investment opportunity. Through our adherence to responsible practices, we can attract capital that supports our growth objectives.

Strengthen Stakeholder Relationships:
A strong sustainability framework fosters trust and collaboration with stakeholders, including customers, suppliers and local communities. Engaging these groups allows us to address their concerns and align our goals, which is crucial for long-term success.

Mitigate Risks:
Understanding and addressing EESG risks protects us from potential liabilities and enhances our reputation. Proactive risk management contributes to business continuity and safeguards our operations against disruptions.

During FYE 2024, we refined our methodology for tracking and reporting sustainability performance. This initiative is designed to strengthen our operational resilience while mitigating the environmental impacts of our activities.

Our Sustainability Roadmap serves as a framework to embed EESG principles at every level of the organisation. It details five critical steps for implementation: establishing a sustainability governance structure; developing a comprehensive sustainability policy; identifying material issues; setting key performance indicators ("KPIs") and action plans; and aligning our reporting with both local and global sustainability standards. This structured approach, enhances our sustainability practices and delivers measurable outcomes for our stakeholders while striving to achieve the Group's short-term, mid-term and long-term objectives.

KEY SUSTAINABILITY FOCUS AREAS

2017
- Published inaugural Sustainability Statement.
- Established Governance Structure & Sustainability Framework.
- Adopted the GRI G4 guidelines.
- Conducted materiality assessment.
- Reporting boundaries: E&C and Plantation Divisions.

2018
- Established Sustainability Policy.
- Adopted Bursa Malaysia Sustainability Reporting Guide in response to the UNSDGs call for action, aligning efforts to drive meaningful impact.
- Established a materiality matrix and mapped it to the UNSDGs.

2019
- Focused on identified material matters.
- Conducted sustainability engagement programmes.
- Set sustainability KPIs & targets across the Group.
- Extended reporting boundary: O&G Division.

2020/2021
- Established response to the Sustainability Strategy, addressing both risks and opportunities.
- Extended reporting boundary: Concession Division.

2022
- Introduced & implemented Sustainable Office Awareness Initiatives:
  1. Energy & Utilities - Inculcate energy and water savings throughout the Group. Save Energy & Water posters and reminders at various locations.
  2. Recycling ("3Rs") Reuse, Reduce, Recycle Campaign conducted to minimise paper usage and encourage waste segregation.
- Extended reporting boundary: Property Division.

2023
- Enhanced reporting with reference to the F4GBM criteria and GRI providing stakeholders with reliable sustainability and EESG performance data.
- Established and refined policies and standard operating procedures ("SOPs") to ensure continuous improvement in sustainability practices, aligning with EESG requirements.
- Facilitated targeted workshop under the Sustainability Awareness Programme to enhance employee engagement and inculcate a deeper understanding of sustainability principles.

2024
- **Expanded F4GBM and GRI disclosures in the Sustainability Statement.**
- **Conducted the second annual sustainability workshop to collate, curate & coordinate efforts in tracking & monitoring EESG performance across the Group.**
- **Facilitated brainstorming sessions to deliberate on strategic initiatives aimed at improving performance for the next reporting period.**
- **Implemented the Environmental Awareness Programme entitled 'Changing Habits' to promote behavioural shifts towards environmental sustainability.**
- **Reporting boundary removed: Plantation Division.**

GOVERNANCE STRUCTURE (GRI 2-9 to 2-18)

The Sustainability Governance structure includes the Board of Directors ("the Board"), Board Committees, Senior Management and key personnel at the corporate, operational and project levels.

The Board oversees AZRB's EESG strategy and performance, while the Audit and Risk Committee ("ARC") ensures the effective execution of the sustainability strategy.

The Group Managing Director ("GMD"), Sustainability Working Committee ("SWC") and Sustainability Department ("SD") serve as the secretariat, coordinating the strategy's planning and implementation and timely reporting to both the Board and the ARC.

Existing Governance Structure

BOARD	Oversees the overall Group Sustainability Strategy, EESG initiatives and performance.
ARC	Reviews and approves the Group Sustainability Strategy.
GMD	Ensures the implementation of the Group Sustainability Strategy and compliance, including monitoring risks and opportunities.
SWC	Implements and oversees the Sustainability Strategy for managing material sustainability matters. Responsible for identifying, collecting, recording and monitoring data related to material matters.
SD	Coordinates the implementation of the Group Sustainability Strategy.

SUSTAINABILITY POLICY (GRI 2-23, 2-24)

- Proactively and continuously assess and address significant economic, environmental and social risks and the impact of our operations and integrating these considerations into business planning, decision making and implementation processes that ensure sustainable outcomes.
- Comply with relevant legislation, standards, policies and procedures.
- Conduct business activities in an ethical and transparent manner.
- Set clearly defined targets, and measures and monitors sustainability performance to support continual improvement.
- Explore ways to improve efficiency in all operations.
- Continuously maintain communication with stakeholders on its corporate footprint in the economic, environmental and social realms.

AZRB's Sustainability Policy is anchored to the Group's Core Values of **ABLE**, **ZEST**, **RESILIENCE** and **BEST** to achieve its sustainability goals. This policy serves as a strategic framework to guide the company in:

01 Assessing and managing risks across EESG spheres, ensuring that AZRB's operations minimise negative impacts and promote long-term sustainability.

02 Committing to compliance with all relevant laws, regulations and internal standards, ensuring ethical conduct and operational transparency.

03 Setting clear sustainability targets while regularly monitoring and measuring performance to drive continuous improvement in every area of operation.

04 Enhancing operational efficiency, reducing resource consumption and exploring innovative solutions that contribute to a more sustainable future.

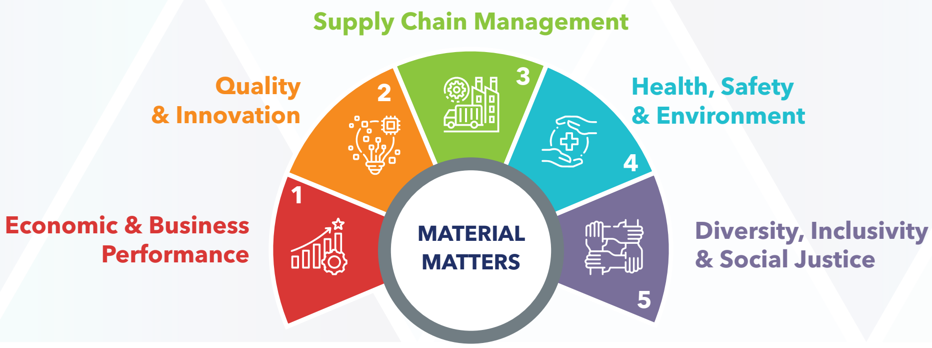
05 Engaging stakeholders, including employees, communities and partners to foster open communication and align with AZRB's sustainability efforts and corporate footprint.

MATERIALITY MATTERS AND SUSTAINABILITY STRATEGY (GRI 2-13, 2-16, 2-27, 3-1 to 3-3)

We prioritise material matters critical to our business and stakeholders, particularly across the ESG pillars. Since our 2017 materiality assessment, we have remained steadfast in addressing critical issues while acknowledging that priorities must adapt to shifting global dynamics such as climate change and the long-term implications of the COVID-19 pandemic.

As we prepare to conduct a new Materiality Study in the upcoming financial year, we aim to better engage with our diverse stakeholders to understand their evolving priorities. The shift in stakeholder capitalism, particularly in the sustainability framework, has placed greater emphasis on balancing financial performance with ESG responsibilities.

For AZRB, this evolution means responding to heightened sustainability and ethical governance expectations. In the interim, we remain committed to addressing the most pressing material issues, ensuring our resources are effectively deployed to meet these demands and align with the broader movement toward responsible, stakeholder-driven value creation.



SUSTAINABILITY STRATEGY

01	02	03	04
ECONOMY: Enhancing Economic Value	**WELLBEING:** Cultivating a Healthy & Safe Workplace	**NATURE:** Reducing Environmental Footprint	**SOCIAL:** Enhancing Local Community
PRIORITISED MATERIAL MATTERS (MM)			
MM 1: Economic & Business Performance **MM 2:** Quality & Innovation **MM 3:** Supply Chain Management	**MM 4:** Health, Safety & Environment **MM 2:** Quality & Innovation	**MM 4:** Health, Safety & Environment	**MM 5:** Diversity, Inclusivity & Social Justice

The five most material matters are well-aligned with the four pillars of our Sustainability Strategy: **ECONOMY** (Enhancing Economic Value), **WELLBEING** (Cultivating a Healthy and Safe Workplace), **NATURE** (Reducing Environmental Footprint) and **SOCIAL** (Enhancing Local Community).

In line with our commitment to sustainability, we have identified critical risks and implemented targeted actions. Beyond mitigating risks, these material matters present opportunities for innovation, efficiency and long-term growth, reinforcing the Group's resilience and competitiveness. These actions are integral to our operations and serve as a platform to exceed stakeholder expectations and unlock value across the sustainability spectrum.

MATERIALITY MATTERS AND SUSTAINABILITY STRATEGY

EESG STRATEGIC AREAS	MATERIAL MATTERS	RISKS	OPPORTUNITIES	OUTCOMES & PROGRESS IN FYE 2024
ECONOMY: Enhancing Economic Value	1. Protecting Business Continuity and Ensuring Growth, post COVID-19 (Endemic). 2. Indirect Economic Impact. 3. Risk and Regulatory Compliance. 4. Supply Chain Management. 5. Quality. 6. Human Resource Planning & Development.	1. Sustaining business operations and enduring challenges post COVID-19 (Endemic) 2. Foreign exchange fluctuation. 3. Security: ICT Disaster Recovery & Cybersecurity and Data Protection. 4. Shortage and escalating cost of raw materials throughout the supply chain. 5. Satisfactory level of quality of works. 6. Change in Government (Legislations/ Regulations/ Policies). 7. Disruption to business or project operations.	1. Value creation. 2. Enhancement to business operations. 3. Ensuring cost-competitiveness. 4. Exceeding customer satisfaction level or expectations. 5. Improved speed and quality of services.	1. Explored growth opportunities through innovation to add value and future-proof the business. 2. Organised business process engineering to improve the effectiveness and efficiency of operations. 3. Undertake cost optimisation initiative to stay competitive. 4. Setting and maintaining high standards and striving for superior performance in all undertakings. 5. Digitalisation, which involves modeling the entire supply chain in order to analyse the network and total cost. 6. Created awareness and implemented new effective policies. 7. Conducted on the job training, knowledge sharing and job rotation to enhance skills and competencies.
WELLBEING: Cultivating a Healthy & Safe Workplace	1. Health and Safety. 2. Security and Assets. 3. Innovation Features and Technology.	1. Major safety hazards. 2. Non-conducive workers' accommodation. 3. Poor health conditions.	1. Enhancement of HSE management system. 2. Setting up of appropriate Labour Quarters ("LQ"). 3. Precautionary measures and increased awareness amongst staff.	1. Increased HSE training and awareness. 2. Enhancement of the emergency preparedness and response. 3. Utilised free "Health Screening" programme by regulatory bodies/ agencies such as SOCSO.
NATURE: Reducing Environmental Footprint	1. Environment. 2. Green Building Projects. 3. Sustainable Office Programme.	1. Carbon emissions. 2. Deforestation.	1. Enhancement of HSE management system. 2. Change management.	1. Compliance to HSE regulations. 2. Increased environmental awareness programmes.
SOCIAL: Enhancing Local Community	1. Diversity, Inclusivity and Social Justice. 2. Human Rights. 3. Training and Career Development. 4. Community Outreach Programme.	1. Susceptible to staff turnover and no successor to key positions. 2. Illegal foreign workers and child labour. 3. Workers accommodation.	1. Improved communication channel between top management and employees. 2. Establishment of clearer and achievable KPIs. 3. Imposing strict labour requirements to the subcontractors.	1. Engagement & dialogue sessions. 2. HSE/ESG engagement activities and programmes. 3. Ensured security monitoring against illegal foreign workers and child labour.

KEY PERFORMANCE INDICATORS (KPIs) (GRI 3-1 to 3-3)

MATERIALITY MATTERS	GROUP & DIVISION	KPIs	INITIATIVES
Economic & Business Performance	E&C	▶ Tender book as at 15 August 2024 is RM1.14 billion. ▶ Order book is RM1 billion.	▶ AZSB has submitted tenders for infrastructure and healthcare projects in Terengganu, Sarawak, Selangor and Kuala Lumpur. ▶ Project in order book comprises the Istana Abu Bakar and Masjid Bandaraya KotaSAS in Kuantan.
	O&G Services	▶ To improve O&G business turnover by 5% over the previous year.	▶ Build new infrastructure, minimum two warehouses, open yard and workshop. ▶ Explore potential new business opportunity (vessel management).
	Concession	▶ Sectional opening of EKVE (Sg Long to Ampang) by second half FYE 2025.	▶ Securing additional loan facilities. ▶ Recruitment of operation team & equipment. ▶ Appointment of vendors. ▶ Finalising operational SOPs.
	Property	▶ New launches worth RM11million by 2025. ▶ New launches have Development Value of RM43.28 million.	▶ More allocation for marketing. ▶ More allocation for new staff recruitment. ▶ Apply the concept of "Developer Contractor". ▶ Housing Projects located in Temala and Paka, Terengganu. Covering single storey, semi-detached and bungalow.
Quality & Innovation	Group	▶ Zero non-compliance with ISO 9001:2015 Quality Management System concerning the quality of our products and services.	▶ Integrated Management System Procedures and SOPs are in place. ▶ Training and awareness. ▶ IMS Internal Audit.
	E&C	▶ To achieve JKR's 3-star green rating for the Cameron Highlands' upgrading project by 2026. ▶ To appoint consultants with Building Information Modeling ("BIM") capability for 75% of tender biddings by 2025 for all Design & Build Tender Proposal. ▶ To impose BIM on 50% of the projects by 2025. ▶ To attain a QLASSIC Score for building projects of not less than 75%.	▶ Establishment of SOPs. ▶ Training sessions. ▶ Appointment of consultants with BIM capability. ▶ Establishment of SOP on BIM implementation to the projects. ▶ QLASSIC 1. Training and awareness. 2. Internal QLASSIC Assessment and strategy to achieve good QLASSIC score.
	O&G Services	▶ To maintain zero non-productive time for O&G.	▶ The O&G Division is certified with the ISO 9001:2015, working towards IMS for 2025 (combination of ISO 9001:2015, ISO14001 and ISO45001.
	Concession	▶ To implement Highway Assets Maintenance Monitoring System ("HAMMS") application. ▶ To utilise TCSS system (HIS & TrIS) during highway operation.	▶ Appointment of System Provider consultant. ▶ Training and awareness for operation team. ▶ Appointment of contractor and ongoing installation of equipment.
	Property	▶ To deploy BIM for 50% of projects by 2028.	▶ To attend BIM software course. ▶ To provide licensed BIM software.
Supply Chain Management	Group	▶ To transition to e-tender by December 2024. ▶ To increase the proportion of local vendors by January 2025.	▶ To provide the e-tender manual to tenderers during tender exercise. ▶ To identify local vendors.
	E&C	▶ To establish a vendor list of competent sub-contractors by January 2025. ▶ KLORR: To achieve 60% Bumiputera contractor (10% Grade 1) participation by January 2025.	▶ To strengthen the Vendor Development Programme ("VDP"). ▶ To establish SOPs.
	O&G Services	▶ To increase the proportion of local vendors by 5%.	▶ To strengthen the VDP.
	Concession	▶ To appoint Bumiputera vendors for highway maintenance.	▶ To establish Terms of Reference ("TOR") for tender & procurement.
	Property	-	-

KEY PERFORMANCE INDICATORS (KPIs)

MATERIALITY MATTERS	GROUP & DIVISION	KPIs	INITIATIVES
Health Safety & Environment	Group	▶ To maintain 0% fatality rate.	▶ Enhance, enforce and drive the management system through applicable operating procedures and work instructions.
	E&C	▶ To maintain 0% fatality rate.	▶ Enhance, enforce and drive the management system through applicable operating procedures and work instructions.
	O&G Services	▶ To maintain 0% fatality rate.	▶ Create more awareness, campaign and increase training. ▶ Enhance, enforce and drive the management system through applicable operating procedures.
	Concession	▶ Use of LED lanterns for highway street lights.	▶ Street lights installed at site.
	Property	-	-
Diversity, Inclusivity & Social Justice	Group	▶ To reduce employee attrition rate by 5%. ▶ To hold 24 training sessions per year.	**Regularly connect with employees** ▶ Briefing/training roadshow on managing incompetency at work and projects/subsidiaries' visits to understand business operations better. ▶ Regular communication between HR and departmental/ projects/subsidiaries' on arising issues. ▶ "Coffee Session" with Head of HR & Admin" as casual communication and engagement with employees. **Rewards & Recognition** ▶ Good employees are retained and compensated through good promotion/salary adjustment. ▶ To encourage employees to attend training by linking training to career development opportunities and Performance Management System ("PMS"). ▶ To encourage the Company to invest in training in order to boost employee engagement, reduce attrition rate and reduce recruitment cost.
	E&C	▶ Support local communities within the vicinity of our construction zones.	▶ Contributions/donations to religious centres for local activities. ▶ Engagement with local society leaders and authorities as required.
	O&G Services	▶ To reduce employee attrition rate by 5%. ▶ Help surrounding community to have safe navigation to Muara Tok Bali.	▶ Provide free navigational support to all marine traffic travelling through Sungai Semarak.
	Concession	▶ To reduce employee attrition rate by 5%. ▶ To preserve the animals within forest reserve. ▶ To minimise social issues with regard to foreign workers and local people. ▶ Close engagement with society association, local leaders etc .	▶ Identified area i.e Taman Eco Rimba Ampang to be upgraded. ▶ To provide CCTV along the forest boundary for illegal poaching activities. ▶ To design & construct bridges as part of animal crossing within forest reserve. ▶ Construct a new public library with Green Building Index ("GBI") compliance.
	Property	▶ Plan, integrate and suitably equip public leisure space in each residential project. ▶ Build and equip children's playgrounds and plant trees as part of project deliverables.	▶ Engagement with local society leaders as required. ▶ Contributions/donations to religious centres for local activities.

OUR PURPOSE-TO-VALUE MODEL

OUR VISION

To be a Trusted **INDUSTRY LEADER** in Delivering **COMMITMENT** with **EXCELLENCE** and **VALUE**

OUR MISSION

- Smart Partnership with Customers, Employees and Stakeholders
- Institutionalise the Virtues of Honesty and Trust
- Setting and Maintaining High Standards; Striving for Superior Performance in All Undertakings
- Pro-Active through Continuous Research and Development in Meeting Challenges

INPUT CAPITALS

FINANCIAL CAPITAL
Our financial assets including cash generated from our operations and investments, and other sources of funding.

MANUFACTURED CAPITAL
Our concession areas, office buildings and factories, physical assets including machinery and technologies.

INTELLECTUAL CAPITAL
Our established and systematic procedures and processes, expertise and skills, brand value and reputation in the markets and industries we serve.

HUMAN CAPITAL
Our astute leadership, knowledgeable and skilled workforce, competencies, experience and contributions to growth and innovation.

SOCIAL AND RELATIONSHIP CAPITAL
Our long-established commitment with stakeholders including shareholders, the financial community, customers, associates, contractors, suppliers, vendors, authorities and communities.

NATURAL CAPITAL
The natural resources we consume and utilise in our core businesses.

VALUE CREATION PROCESS

- Engineering & Construction
- Property Development and Hospitality
- Oil & Gas
- Concession

STRATEGY

Underpinned by **AZRB's Sustainability Framework** to ensure meaningful outcomes to the environment and all stakeholders.

- **ECONOMY:** Enhancing Economic Value
- **WELLBEING:** Cultivating a Healthy & Safe Workplace
- **NATURE:** Reducing Environmental Footprint
- **SOCIAL:** Enhancing Local Community

AZRB BUSINESS ECOSYSTEM

SHAREHOLDERS: asset value growth and higher return-on-investment ("ROI")

EMPLOYEES: job security and remuneration

CUSTOMERS: timely supply of quality products

ASSOCIATES, CONTRACTORS, SUPPLIERS & VENDORS: business opportunities

AUTHORITIES: compliance with regulations

FEDERAL & STATE GOVERNMENTS: taxes and dividends

COMMUNITY: development programmes, job creation, humanitarian aid and philanthropy

KEY MARKET TRENDS SHAPING OUR BUSINESS

- Local Construction Activities
- Climate Change
- Green Development
- Urbanisation
- Automation
- Digitalisation

KEY RISKS

- Business Sustainability Risk
- Operational Risk
- Business Continuity Management ("BCM")
- Financial And Liquidity Risk
- Cybersecurity Risk

MATERIAL MATTERS

ECONOMY: Enhancing Economic Value
- Economic & Business Performance
- Quality & Innovation
- Supply Chain Management

NATURE: Reducing Environmental Footprint
- Health, Safety & Environment

WELLBEING: Cultivating A Healthy & Safe Workplace
- Health, Safety & Environment
- Quality & Innovation

SOCIAL: Enhancing Local Community
- Diversity, Inclusivity & Social Justice

CORPORATE STRATEGY

REVITALISING : Our existing goals, costs and structure to optimise performance.

Employees | Government Agencies/Regulators | Certification Bodies | Local Communities

OUR PURPOSE-TO-VALUE MODEL

CORE VALUES

We have the **Ability**, **Zest** and **Resilience** to be the **Best**

ABLE : People with High **Capability** and **Expertise**

ZEST : Giving **Commitment** with **Energy** and **Passion**

RESILIENCE : Foster **Strong** and **Dynamic People**

BEST : Focus on **Quality** and **Excellence**

OUTPUT	VALUE CREATION
Engineering & Construction Property Development and Hospitality Oil & Gas Concession	

FINANCIAL CAPITAL FYE 2024

Revenue
RM495.5 million
(FYE 2023: RM371.6 million)

Profit Attributable to Owners
RM95.1 million
(FYE 2023: RM89.2 million)

Profit Before Tax
RM132.4 million
(FYE 2023: RM22.1 million)

Shareholders' Funds
RM199.5 million
(FYE 2023: RM67.2 million)

Earnings Per Share
14.12 sen
(FYE 2023: 14.92 sen)

MANUFACTURED CAPITAL FYE 2024

E&C
RM322.5 million
(FYE 2023: 235.7 million)

O&G
RM88.4 million
(FYE 2023: RM71.6 million)

Concession
RM72.2 million
(FYE 2023: RM56.2 million)

Property
RM12.4 million
(FYE 2023: RM7.9 million)

INTELLECTUAL CAPITAL

- MS ISO 9001:2015 Quality Management System
- MS ISO 45001:2018 Occupational Health and Safety Management System
- MS ISO 14001:2015 Environmental Management System

HUMAN CAPITAL FYE 2024

No. of Employees
806
(FYE 2023: 813)

Male:
608 (75.43%)
Female:
198 (24.57%)

Management: **53**
Executive: **311**
Non-Executive: **442**

SOCIAL AND RELATIONSHIP CAPITAL FYE 2024

RM10,000.00
Education

RM134,233.00
Community

TOTAL CSR CONTRIBUTION
RM144,233.00*

** Donation = RM89,232.65*
Zakat Wakalah (AZRB) = RM30,000.00
Zakat Wakalah (PMSB) = RM25,000.00

NATURAL CAPITAL FYE 2024

Scope 1 (CO_2e mt)
990.11
(FYE 2023: 695.5)

Scope 2 (CO_2e mt)
3,075.58
(FYE 2023: 529.5)

Scope 3 (CO_2e mt)
399.30
(FYE 2023: N/A)

Energy Consumption (MWh)
8,486.64
(FYE 2023: 854.08)

Water Consumption (m^3)
88,680.00
(FYE 2023: 10,245.0)

Scheduled Waste (kg)
22.40
(FYE 2023: 682.2)

Total (CO_2e mt) **4,465.00**
(FYE 2023: 1,225.0)

STAKEHOLDER IMPACTED

ALIGNMENT TO UNSDGs

REALIGNING : Strategic Business Plan

RESHAPING : Our outlook by exploring new areas of growth

Media

Vendors and Suppliers

ESG STRATEGY 1
ECONOMY : ENHANCING ECONOMIC VALUE

Most Material Matters	Economic & Business Performance Quality & Innovation Supply Chain Management
GRI Indicators	2-15, 2-16, 2-25, 201, 203, 204, 205, 206, 416
BMSRG Themes	Procurement Practices Indirect Economic Impact Climate-related Financial Risks & Opportunities Product and Services Responsibility
F4GBM Indicators	GAC 01 - 10 GCG 01 - 10

STRATEGISING RECOVERY TO SUSTAIN LONG-TERM VALUE

(GRI 201, 203)

As we steadily progress toward financial recovery, we have navigated a post-pandemic period marked by delayed projects, rising material costs and financial constraints that impacted cash flow and weakened our balance sheet. While the effects of these disruptions have taken time to overcome, there are clear signs of improvement.

Although challenging, we remained focused on preserving our financial, capital and human resources, which were critical for maintaining business stability and ensuring operational continuity.

The turning point came with divesting the Plantation Division in Indonesia, a significant contributor to losses in previous financial periods. The disposal of the Group's entire equity in P.T. Ichtiar Gusto Pudi in the second quarter of FYE 2024 has enabled the Group to refocus on our core, profit-generating businesses of E&C, O&G, Concession and Property.

Our improving financial position has also enabled work to resume on the EKVE, a key project expected to generate recurring income over its 50-year concession period.

In addition, the Group secured several high-value E&C contracts during the reporting period, solidifying the Group's future profitability and sustaining economic value creation for our stakeholders, including shareholders, partners, customers, employees, vendors, communities and the Government.

Further details on the Group's financial performance and business strategies are presented in the Management Discussion & Analysis section on pages 8 to 19 of this Annual Report 2024.

STRENGTHENING NATIONAL INFRASTRUCTURE, SUPPORTING ECONOMIC GROWTH

(GRI 203)

Since our inception in 1982, AZRB has shaped essential large-scale E&C projects and established itself as a key partner in the O&G and healthcare industries while steadily expanding our Property Development and Hospitality Division portfolio. Our involvement in these critical sectors has significantly contributed to national growth, especially as the country experiences a remarkable upswing in Quarter 1 2024, with approved investments reaching RM83.7 billion across manufacturing, services and other sectors. This upswing in economic growth has driven industry development, creating nearly 30,000 jobs for Malaysians, underscoring our commitment to supporting the nation's progress in tandem with the National Investment Aspirations ("NIA") that is built on five robust pillars: enhancing economic complexity, creating high-value job opportunities, expanding domestic linkages, developing new and existing clusters and promoting inclusivity. *(Source: Malaysian Investment Development Authority ("MIDA"))*

We foresee opportunities for the Group to tap into the country's buoyant growth based on our expertise, capabilities and capacity in ongoing infrastructure development to stimulate economic vitality.

Spearheaded by our E&C and Concession Divisions, the ongoing and newly secured infrastructure projects in FYE 2024 are predominantly sited in the Klang Valley and states along the East Coast of Peninsular Malaysia. Such infrastructure and facilities have stimulated economic and socioeconomic activities via business and job opportunities, supporting the communities where we operate.

Among the prominent projects undertaken is the EKVE, a vital artery for the Klang Valley Outer Ring Road ("KLORR") that disburses or diverts traffic from other often-congested roads and highways. The EKVE is a key highway for the future growth and expansion of the urban region centred around Kuala Lumpur.

The recently completed expansion of the Mass Rapid Transit ("MRT") network in 2022 facilitates the efficient movement of people across the nation's economic hub. The elevated stations and other associated works at Serdang Raya, Seri Kembangan and University Putra Malaysia for the MRT Putrajaya Line 2 are now undergoing the defect liability period ("DLP").

Beyond the Klang Valley, the Group operates the Tok Bali Supply Base ("TBSB") in Kelantan. Although TBSB is nominally the staging point for our provision of support services and facilities for the offshore O&G industry in the Gulf of Thailand, it is also the only commercial port in the state.

The following projects were undertaken in FYE 2024:

- Upgrading of roads in Cameron Highlands.
- Bridge construction across Sungai Kuantan to connect Kuantan and Tanjung Lumpur plus a flyover.
- Construction of the Masjid Bandaraya KotaSAS, Kuantan.
- Upgrading and renovation of Istana Abu Bakar in Pekan, Pahang.
- Integrated development of a technology and industrial park in Kemaman, Terengganu.

SUPPORTING LOCAL SOURCING AND SOCIOECONOMIC DEVELOPMENT

(GRI 203, 204, BMSRG)

Apart from deriving financial benefits from our four core business Divisions, AZRB has strengthened its supply chain by supporting local businesses and employment. We prioritise engaging local contractors, suppliers and service providers whenever feasible, directly contributing to the development of the domestic economy and communities.

Our commitment to locally sourced materials strengthens local businesses and mitigates risks associated with currency volatility. This focus reinforces our dedication to sustainable economic development and community resilience.

During the reporting period, local content for our projects averaged over 99%, amounting to RM154 million in local contracts for FYE 2023 and FYE 2024.

LOCAL SOURCING (FYE 2023 - FYE 2024)

NO.	PROJECT	NO. OF CONTRACTORS/ SUB-CONTRACTORS		AMOUNT OF LOCAL % OF LOCAL CONTENT		CONTRACTS (RM)	
		FYE 2023	FYE 2024	FYE 2023	FYE 2024	FYE 2023	FYE 2024
1.	Flyover/TGLK	10	-	100%	-	2,218,792	-
2.	EKVE (KLORR)	7	**12**	100%	**100%**	3,784,974	**18,553,380**
3.	PNB 1194	41	**18**	100%	**100%**	10,936,528	**11,701,120**
4.	PNB118	20	**5**	100%	**100%**	3,760,894	**1,164,395**
5.	POC	17	**22**	100%	**100%**	8,834,355	**6,107,977**
6.	KL Node	1	-	100%	-	49,800	-
7.	MBK	30	**25**	96%	**96%**	51,692,287	**34,091,214**
8.	CAM	7	-	100%	-	734,779	-
TOTAL / AVERAGE		**133**	**82**	**99.50%**	**99.20%**	**82,012,409**	**71,618,086**

East Klang Valley Expressway ("EKVE"), Kuala Lumpur Outer Ring Road ("KLORR"), Petronas Office Complex ("POC"), Masjid Bandaraya KotaSAS ("MBK"), Projek Jalan Pintas Cameron Highlands ("PJPCH/CAM"), Tanjung Lumpur Kuantan ("TGLK").

ESG STRATEGY 1
ECONOMY : ENHANCING ECONOMIC VALUE

PROCUREMENT PRACTICES

(GRI 204, BMSRG)

The Group adheres to the MS ISO 9001:2015 Quality Management Systems standards and has implemented an Integrated Management System ("IMS") for procurement. This commitment enables us to coordinate our performance effectively, achieve excellence in value delivery and ensure that quality, health, safety and environmental factors are seamlessly integrated into all our operations. During the reporting period, there were **zero non-compliance** cases recorded by SIRIM, reflecting our ongoing dedication to continuous improvement.

Contractors, vendors and service providers are evaluated based on technical proficiency and overall capability. Our evaluation also considers environmental impact. We prioritise companies that implement sustainable building practices and employ IMS that enhance energy efficiency and minimise waste.

We develop detailed work packages for each trade and ensure that the Procurement Schedule is finalised and approved internally before construction begins. We aim to complete the procurement process within 60 days, from the tender announcement to the awarding of contracts to subcontractors.

EVALUATION CRITERIA

	SUB-CONTRACTORS	SUPPLIERS
Management Support	**20%**	**35%**
Site Management	**50%**	**65%**
Safety & Health	**15%**	
Environment	**15%**	
TOTAL	**100%**	**100%**

ANNUAL ASSESSMENT

The target for the scoring system is based on the AZRB/AZSB Quality Objective (Engineering & Construction Scope).

SUB-CONTRACTOR ASSESSMENT SCORE

- **December 2023: 38.68% (41/106)**
- December 2022: 57.67% (68/118)
- December 2021: 58.20% (110/189)
- December 2020: 40% (117/295)

SUPPLIER ASSESSMENT SCORE

- **December 2023: 64.70% (44/68)**
- December 2022: 77.27% (34/44)
- December 2021: 79.31% (46/58)
- December 2020: 81% (111/137)

AZRB actively stimulates the local economy by creating business opportunities and tendering projects. Beyond this, we contribute directly to ancillary facilities that enhance local communities.

In FYE 2024, we constructed a new public library in Taman Seri Ampang to replace the previous structure affected by the EKVE alignment. This new facility incorporates features that comply with the Green Building Index ("GBI"), including a rainwater harvesting system, an electric vehicle ("EV") charger and a solar-powered lighting system. As of the reporting date, we are in the process of handing over the completed library to the local authority.

QUALITY PRODUCTS AND SERVICES

(GRI 416, BMSRG)

Our vision is to be a 'Trusted Industry Leader in Delivering Commitment with Excellence and Value'; and we strive to achieve this by providing exceptional services in delivering quality projects.

Our quality assurance and control complies with the ISO 9001:2015 Quality Management System and is certified by SIRIM QAS. This also adheres to other requirements outlined in the clients' contract documents.

AZRB's Internal Quality Assessment ("AIQA") is a systematic assessment for monitoring the quality of work on projects and it is used to ensure the handover of projects that meet and comply with all required specifications.

The QLASSIC assessment by CIDB is a benchmark to ensure our projects achieve the desired quality. During the reporting period, we achieved a QLASSIC score of more than **80%** for two projects: UTP2 **(84%)** and POC Block A **(82%)**.

E&C DIVISION CERTIFICATIONS BY SIRIM

- MS ISO 9001:2015
  Quality Management System
- MS ISO 14001:2015
  Environmental Management System
- MS ISO 45001:2018
  Occupational Health and Safety Management System

BALANCING RISKS AND OPPORTUNITIES

(GRI 2-16, 2-25, BMSRG)

AZRB acknowledges that robust risk management is essential for long-term business sustainability. Our approach is focused on protecting stakeholder value by systematically evaluating the risks and opportunities associated with our operations.

Our Enterprise Risk Management ("ERM") framework aims to identify and classify risks, establish key controls and recommend effective risk mitigation strategies. All projects are assessed for risk by management and reviewed by the Board Audit & Risk Committee ("ARC"). The ARC is tasked with ensuring the effectiveness of our integrated risk management system.

Climate-related Financial Risks & Opportunities

Understanding and managing climate-related financial risks and opportunities is essential for business resilience and growth. We recognise the impact of climate change on our operations and financial performance and are committed to integrating these considerations into our strategic and risk management frameworks.

Our risk assessment exercise on this issue involves a review of both physical risks such as floods and heatwaves as well as transition risks including changes to regulations, technology and markets.

In terms of opportunities, we consistently assess the financial viability of shifting towards renewable energy, climate resilience measures and regulatory incentives. The Group has been infusing green building solutions in many of its projects.

Further details are available in the Management Discussion & Analysis section on pages 8 to 19 as well as Statement on Risk Management and Internal Control on pages 90 to 97 of this Annual Report 2024.

UPHOLDING INTEGRITY, ACCOUNTABILITY & TRANSPARENCY

(GRI 2-15, 2-23, 205, 206, BMSRG, F4GBM GAC 01-10, GCG 01 - 10)

We recognise that maintaining strong business ethics within a framework of accountability and transparency is vital for achieving sustainable success. Our dedication to these values helps us build trust with our employees, uphold our reputation with external stakeholders and drive operational efficiency.

To reinforce this commitment, the Group has adopted the ISO 37001:2016 Anti-Bribery Management System ("ABMS") that ensures adherence to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018), which aligns with the Ministerial Guidelines outlining the T.R.U.S.T Principles.

Top level commitment

Risk assessment

Undertake control measures

Systematic review, monitoring and enforcement

Training and communication

The Group's Anti-Bribery and Corruption Policy ("ABC Policy") aims to prevent any acts of bribery and corruption in the workplace. This policy, along with other related guidelines, is communicated to directors, employees and business partners through multiple channels, including workshops, training sessions, employee induction programmes, email notifications azrb@azrb.com and our official AZRB website: www.azrb.com.

Aside from propagating anti-corruption, the Group's corporate governance emphasises accountability and transparency for all processes and procedures as well as the Board's functions.

The Group recorded **zero cases** related to bribery and corruption during FYE 2024.

ESG STRATEGY 2
WELLBEING : CULTIVATING A HEALTHY & SAFE WORKPLACE

Most Material Matters	Health, Safety & Environment, Quality & Innovation, Diversity, Inclusivity & Social Justice
GRI Indicators	2-7, 2-8, 2-19, 2-20, 2-23, 2-24, 2-26, 2-27, 401 – 412, 414 – 418
BMSRG Themes	Diversity Human Rights Occupational Safety and Health Labour Practices Society Product and Services Responsibility (Social) Supply Chain (Social) Compliance (Social)
F4GBM Indicators	SHR 05, SHR 27, SHS 01-02, SHS 08, SHS 11, SLS 01-03, SLS 08, SLS 11, SLS 16, SLS 26, SLS 29-30, SLS 33-34, SSC 01

ADHERING TO LEGAL REQUIREMENTS AND POLICY COMMITMENTS

(GRI 2-23, 2-24, 2-26, 2-27, BMSRG, F4GBM SHR 27, SLS 01-02, SLS 08)

AZRB is meticulous in ensuring we adhere to all legal requirements and policy commitments related to the welfare and wellbeing of employees. We understand that this promotes ethical practices, builds trust with stakeholders, and minimises legal and financial risks.

Legal and policy compliance safeguards our reputation and fosters a safe and fair workplace, which are essential for long-term success and stability by aligning business operations with societal expectations, thus contributing positively to both economy and community.

In line with local laws and regulations, we have policies to guide and govern the Group's approach towards:

- Paying a minimum wage
- Preventing the use of child, forced or involuntary labour
- Prohibiting discrimination in employment based on gender, race, religion, age or nationality
- Banning physical abuse and harassment
- Addressing grievances and whistleblower concerns promptly

To enhance awareness over such matters, we conduct periodic briefing sessions on policies to employees and hold toolbox meetings at project sites. Our policies are listed and spelled out in the Group's official website.

In addition, we are stringent in requiring all foreign workers at our project sites to possess legal work permits in order to comply with both domestic immigration and universal human rights laws.

Our project management teams are diligent in securing only valid or permissible foreign workers while security teams are tasked with verifying their credentials to avert any inadvertent violations.

COMPLIANCE TO LEGAL REQUIREMENTS

Employment Act 1955 (Amendments 2022)
Occupational, Safety and Health Act 1994
Industrial Relations Act 1967 (Amendment 2022)
Human Resources Development Act 2001
Employees Provident Fund Act 1991
Employees' Social Security Act 1969
Employment Insurance System Act 2017

CREATING EMPLOYMENT

(GRI 2-7, 2-8, BMSRG, F4GBM, SHR 05, SLS 08, SLS 11, SLS 33-34)

As a leading contributor to the nation's physical and business infrastructure, AZRB plays a pivotal role in job creation across various sectors to drive socioeconomic progress among Malaysians.

By providing employment opportunities, the Group has improved the quality of life for our employees and their families, ensuring their financial stability and increasing their purchasing power.

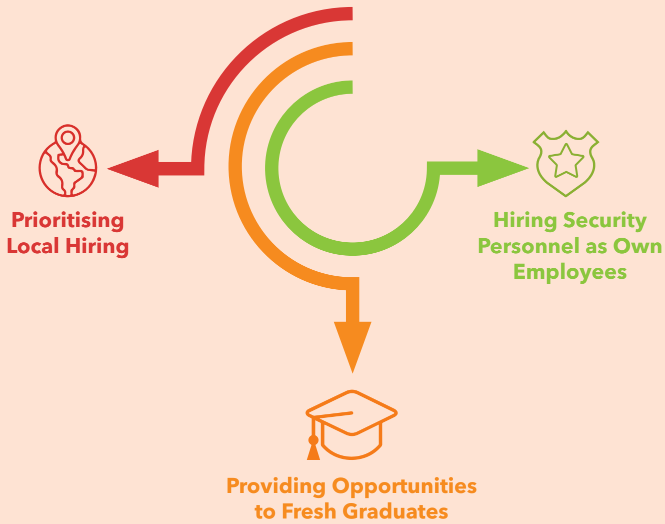
Our focus on fair and attractive wages, complemented by a working environment that encourages professional and personal growth, serves to bridge socio-economic divides and promote social stability.

Further, we consistently strive to achieve balance in our workforce in terms of gender as well as age groups to take advantage of a wider base of expertise, experience as well as knowledge and skill sets.

We have an inherent preference for local employees in the absence of any formal policy to hire from within communities where we operate. The Group understands that local hiring serves to enhance our brand by demonstrating our commitment to the community.

For example, we actively source for talent living in and around our project sites in Kuantan, Terengganu and Kelantan. In the case of the EKVE, our job advertisements explicitly state preference for residents of Bandar Mahkota Cheras, Kajang, Hulu Langat and Ampang.

In terms of administrative positions for our headquarters, preference is accorded to residents of Datuk Keramat, Wangsa Maju and Taman Melawati.



The Group participates in the Federal Government's Protégé Program, which is intended to offer graduates the opportunity to gain competencies that can raise their employability, thereby providing a pathway to future employment. During the reporting period, we incorporated 51 graduates into the operations team for the road maintenance project in Cameron Highlands.

Unlike others that normally outsource their security requirements to third parties, AZRB directly hires security personnel as permanent employees.

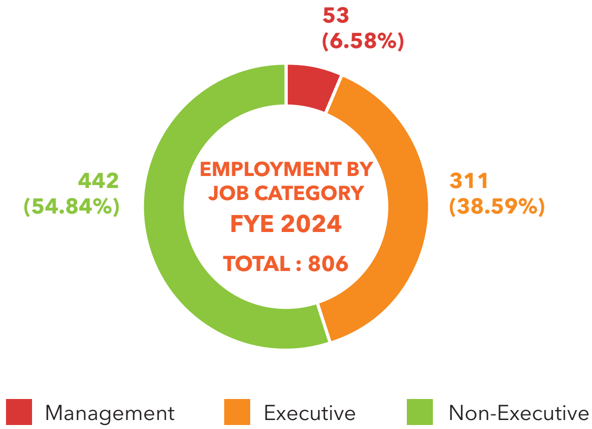
All our inhouse security personnel are certified as auxiliary police, having undergone the Auxiliary Police Basic Course *(Sijil Asas Kursus)* to comply with police requirements.

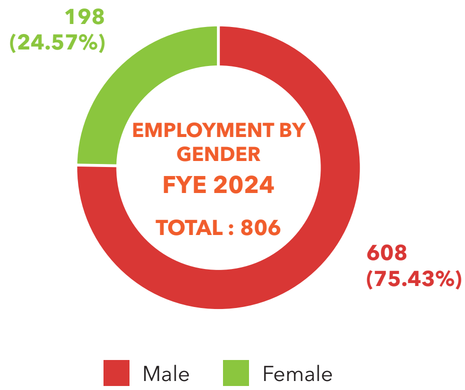
21 September, 2023
AZRB Auxiliary Police Certificate Presentation Ceremony by PDRM - JPJKK Bukit Aman.

30 October, 2023
Physical Test for Recruitment of AZRB Auxiliary Police.

ESG STRATEGY 2
WELLBEING : CULTIVATING A HEALTHY & SAFE WORKPLACE

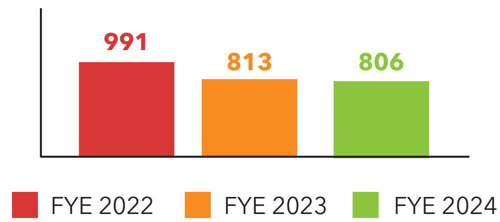
TOTAL EMPLOYMENT FYE 2024



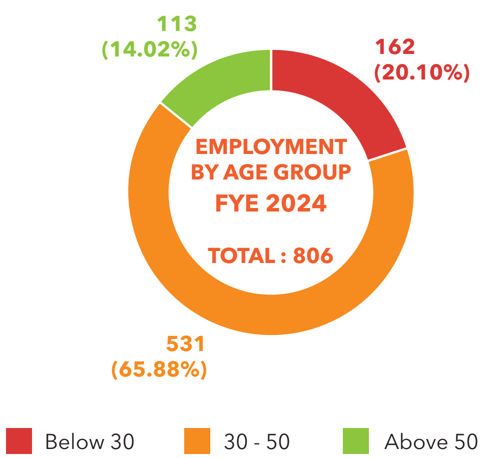


Male employees outnumber their female counterparts by three to one in FYE 2024 since our business portfolio including E&C, Oil & Gas and Property primarily consists of work scopes more suited to men as opposed to women.

TOTAL EMPLOYMENT

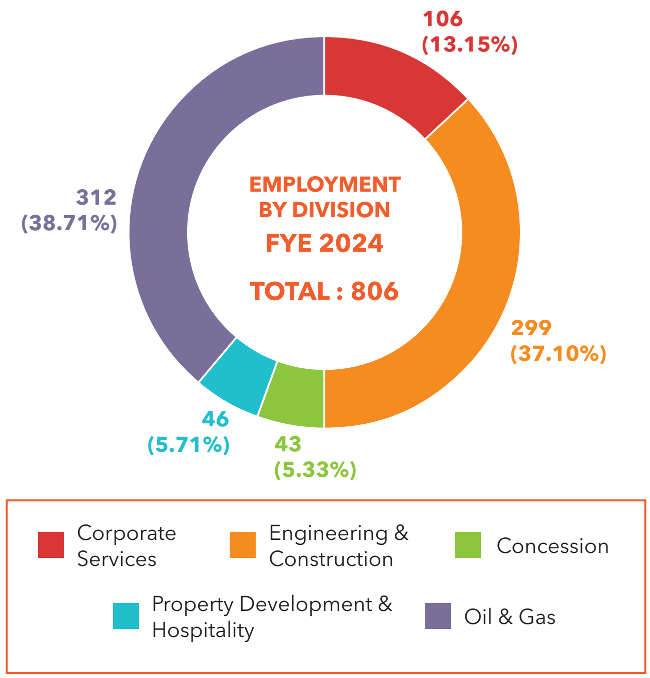


Our total employment has been on the downtrend over the past two years, declining by almost 19% from 991 at the close of FYE 2022 to 806 at end of FYE 2024.



The Group has a healthy balance of youth and experience with two thirds of employees aged 30 – 50 over the past three financial periods.

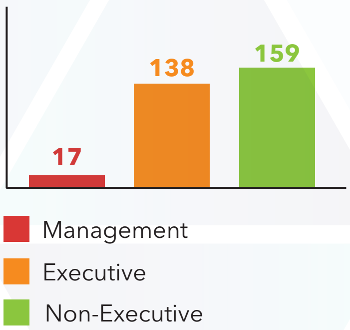
EMPLOYMENT BY DIVISION FYE 2024



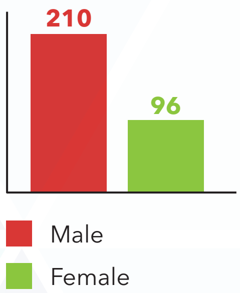
ESG STRATEGY 2
WELLBEING : CULTIVATING A HEALTHY & SAFE WORKPLACE

TOTAL TURNOVER FYE 2024

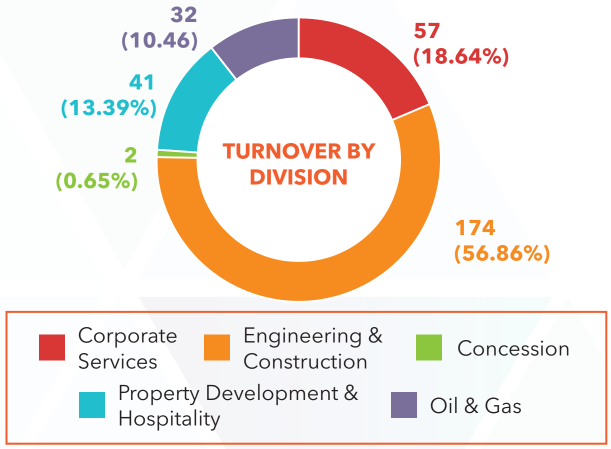
BY JOB CATEGORY



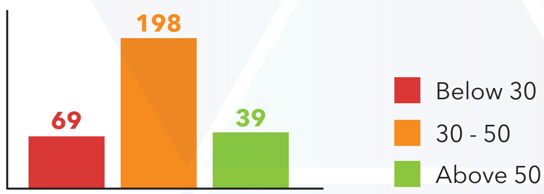
BY GENDER



TURNOVER FYE 2024 BY DIVISION



BY AGE GROUP



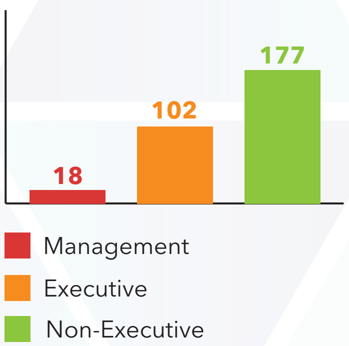
Total Turnover: **306** Total Staff Full Year: **812**

Attrition Rate: **37.68%**

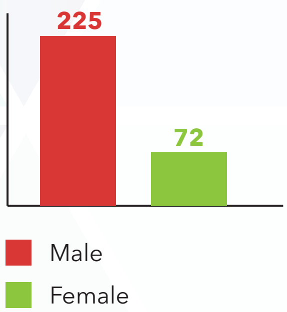
High turnover rate is primarily due to the expiration of contracts, necessitating the rehiring of staff and treating these cases as new intakes due to break in service.

TOTAL NEW HIRES FYE 2024

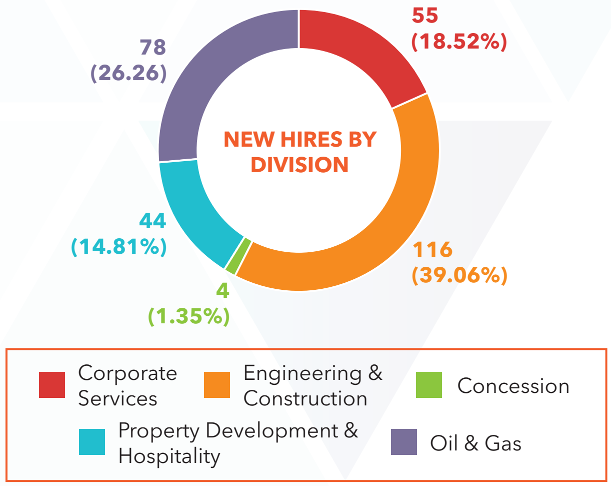
BY JOB CATEGORY



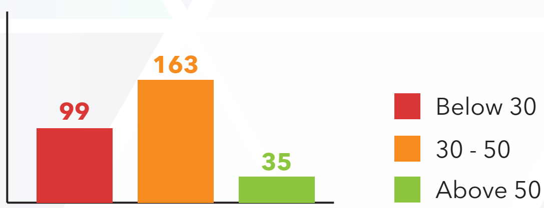
BY GENDER



NEW HIRES FYE 2024 BY DIVISION



BY AGE GROUP



Total New Hires: **297** Total Staff Full Year: **812**

Hiring Rate: **36.58%**

The Group ramped up hiring activities in FYE 2024 to fill vacancies throughout its operations, with a replacement rate of almost 37%.

ESG STRATEGY 2
WELLBEING : CULTIVATING A HEALTHY & SAFE WORKPLACE

PROVIDING FAIR COMPENSATION

(GRI 2-19, 2-20, 401-3, BMSRG, F4GBM SLS 34)

The Group is well-regarded as a desirable employer, providing remuneration packages that are competitive with market averages and medians as well as according to the provisions of the Employment Act 1955 with regards to the minimum wage.

Our remuneration structure for employees is designed to ensure there is an appropriate balance of fixed and variable rewards, which include both short-term and long-term incentives.

It is also weighted towards performance-related elements that take into account individual, division and Group performance. Remuneration includes the fixed component (Base Salary) and variable component (performance bonus and employee share option scheme or ESOS).

The remuneration package is structured to offer reward in tandem with the Group's and the individual's key performance indicators which include non-financial and sustainability targets.

In addition to competitive wages, we offer a comprehensive range of both monetary and non-monetary benefits. These include support for business travel, retirement, retrenchment, relocation, healthcare, insurance, and marital and parental leave. We are dedicated to fostering a positive work environment defined by diversity and inclusion.

For our site construction workers, we ensure a supportive and ergonomically sound working environment, fair compensation, clear communication of policies and access to essential amenities.

Medical Care

Hospitalisation, Outpatient and Dental

Leave

Annual Leave, Medical Leave, Prolonged Illness Leave, Maternity Leave, Paternity Leave, Compassionate Leave, Marriage Leave, Hajj Leave, Pilgrimage Leave, Transfer Leave, Disaster Leave and Replacement Leave

Bereavement Contribution

1. RM500 donation for the death of immediate family members (spouse/children/parents).
2. *Khairat Kematian* - In respect of death of an employee while in service due to illness or natural causes which is not covered by insurance. The benefit is to be claimed by the next of kin.

Health Screening for staff.

CULTIVATING HEALTHY & PRODUCTIVE WORKPLACE RELATIONSHIPS

(GRI 2-26, 402, BMSRG)

The Group believes in healthy relations with employees to cultivate a positive and productive work environment. Strong teamwork across all levels and layers of the Group will invariably result in greater employee satisfaction, lower turnover rates and improved morale, which in turn boost productivity and performance.

We emphasise open communication between management and employees to resolve conflicts, prevent issues from escalating and build mutual trust. This cooperative and collaborative atmosphere enhances workplace harmony and helps drive innovation to strengthen our competitiveness.

At AZRB, the senior management is tasked with creating a culture that values and supports employees. We lead by example by listening to and addressing employee concerns while providing essential resources such as training, development opportunities and recognition programmes.

Employees can address any workplace issues through the Human Resources Department and use the whistleblowing channel to report concerns about improper conduct within the Group.

In addition, employees have multiple channels of communication with management, including face-to-face meetings, emails, group messages and staff engagement.

TAPPING STRENGTH IN DIVERSITY, EQUITY AND INCLUSIVITY

(GRI 405, 406, BMSRG, F4GBM SLS 03, SLS 16, SLS 30, SLS 34)

The Group supports diversity, equity and inclusivity ("DEI") at the workplace, recognising that it provides substantial benefits by enriching capabilities and fostering a more dynamic work environment while attracting and retaining top talent.

We are a diverse workforce with the advantage of having varied perspectives and experiences, leading to enhanced creativity and innovative problem-solving. We practice equity so all employees have equal access to opportunities and resources, which promotes a fair and motivating workplace. We are inclusive and ensure everyone feels respected and valued, boosting engagement and job satisfaction.

GUIDELINES FOR DEI

Race & Religion

At AZRB, we hired 2.62% of new employees during the reporting period (*excluding Oil & Gas and Property*) from other races to fulfill the vacancy as they fit. This involves executive and non-executive positions.

Gender

Male employees comprise 75.43% of the total workforce in AZRB Group. Despite our efforts to be fair and unbiased, our workforce continues to be male dominated given the nature of work involved in construction.

Age

We believe the future of our industry is in the hands of the next generation and are committed to mentoring and grooming our employees to become the leaders of tomorrow. Our employee distribution across the different age groups shows the majority of our employees are within the 30-40 age bracket.

Disabilities

We hire anyone who meets employment standards regardless of any disabilities.

ESG STRATEGY 2
WELLBEING : CULTIVATING A HEALTHY & SAFE WORKPLACE

SAFEGUARDING THE WELLBEING OF PEOPLE

(GRI 403, 416, BMSRG, F4GBM SHS 01-02, SHS 11)

AZRB regards occupational health & safety ("OHS") as one of our highest priorities to protect our employees from potential hazards and health risks in order to maintain a productive work environment.

Work related hazards are managed accordingly, including working at height, working in confined spaces or excavation works.

The Group has an OSH framework aligned to both local and international standards including SIRIM and ISO to ensure our practices are thorough, effective and meets the highest industry benchmarks.

The framework calls for identifying and mitigating risks via Hazard Identification, Risk Assessment and Risk Control ("HIRARC") procedures plus a stringent regime of regular safety inspections, proper use of personal protective equipment ("PPE") and well-defined emergency procedures.

We provide comprehensive training to our employees at site, either monthly or quarterly depending on the level of risk, and enforce safety regulations to prevent accidents and injuries.

Meanwhile, to safeguard the health of employees, we have formulated and implemented a pilot project to screen the status of new workers through a questionnaire during their induction process.

During the year in review, we did not record any fatalities, injuries or occupational diseases at our project sites.

Over and above safety measures for our workforce, the Group is also committed to ensuring the health and safety impact of our range of products and services. In this case, we strive to abide by all regulations and guidelines by the relevant authorities including the Department of Occupational Health & Safety ("DOSH").

Despite our stringent efforts, however, we incurred compounds and cautions from the authorities during the reporting period. We were issued minor compounds for two incidents, five Notices of Improvement ("NOIs"), three Notices of Prohibition ("NOP") and four Safe Work Observations ("SWO").

As always, we will strive to improve our performance in this area to protect our customers, members of the public and employees from any potential negative impacts arising from our products and services.

Total Man - Hours: **4,254,055**

Injury Rate (IR) : **0**

Occupational Disease Rate (ODR): **0**

Long Term Injury Rate (LTIR): **0**

Fatality Rate (FR): **0**

We have an unblemished track record in operational safety over the past two financial periods when there were no reported cases of fatalities or injuries at the workplace.

ESG STRATEGY 2
WELLBEING : CULTIVATING A HEALTHY & SAFE WORKPLACE

STRENGTHENING COMPETENCIES

(GRI 403, 404, F4GBM SLS 26, SLS 29)

The Group has established comprehensive Training and Development SOPs to effectively manage capacity building and address competency requirements. These procedures are designed to enhance the efficiency and effectiveness of employees in executing their roles.

Our Annual Performance Appraisal, conducted through the Performance Management System, ensures that employees receive the necessary resources for development, recognition to foster motivation and clarity regarding their responsibilities.

In addition, succession planning is a key strategy to bolster AZRB's overall capability. It enables us to:

- Identify and prepare for critical vacancies in advance.
- Select essential competencies and skills for ensuring business continuity.
- Consistently develop individuals to meet future business needs.

EMPLOYEE TRAINING FYE 2024

Number of Training Sessions
19

Number of Participants
513

Total Training Hours
101.50

External Training **4** | **Internal Training** **15**

Non-Technical Training
6

Technical Training
13

Female Participants
248

Male Participants
265

Training has been significantly reduced for employees over the past two financial years, from an average of 0.35 hours per employee in FYE 2022 to 0.20 hours per employee for the reporting period.

SPECIFIC TRAINING FYE 2024

Training on Anti-Corruption by Employee Category (%)

Management:
1.09%

Executive:
10.04%

Non-Executive Technical Staff
0.00%

Total hours of training on Labour Practices and Standards

Management:
25.52

Executive:
68.66

Non-Executive Technical Staff
7.32

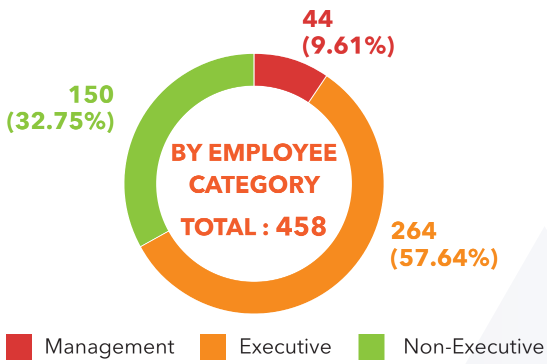
General Workers:
N/A

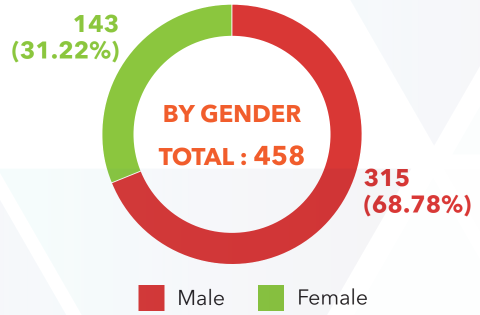
Number of Employee Training Sessions on Health and Safety

Total: **28**

Training for employees in FYE 2024 focused on anti-corruption, health & safety, and labour standards & practices. Employees at the Executive level constituted the majority of attendees.

PERCENTAGE OF EMPLOYEES WHO RECEIVED PERFORMANCE REVIEW FYE 2024





AZRB's employee performance review was comprehensive in FYE 2024, covering every single employee in the Group.

**Excludes O&G and Property.*

ESG STRATEGY 2
WELLBEING : CULTIVATING A HEALTHY & SAFE WORKPLACE

29 January, 2024
Health, Safety & Environment Forum 2024.

27 February, 2024
Commuting Safety Talk in collaboration with SOCSO.

4 March 2024 - 7 March 2024
HR Roadshow at various project site offices, conducted by Group Human Resources & Administration.

21 March, 2024
ASNB Service Counter Booth.

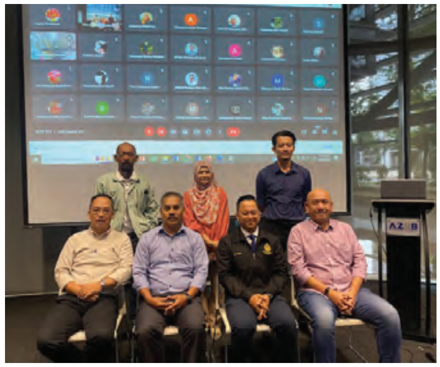
26 March, 2024
SOCSO Free Health Screening Programme for AZSB project teams and Business Unit employees located at the East Coast, conducted by Klinik As-Salam at MBK project site.

25 April 2024 - 7 May 2024
HR Roadshow for Klang Valley project site offices, conducted by Group Human Resources & Administration.

30 April, 2024
Healthy Heart Awareness Talk in collaboration with Ministry of Health ("MOH").

4 June, 2024
Employees Provident Fund ("EPF") Information Sharing Programme.

20 July, 2023
"*Modifikasi Kenderaan*" in collaboration with Road Transport Department ("RTD").



10 August, 2023
Blood Donation Drive.

11 August, 2023
Durian Fest '23.

18 August, 2023
Fitness Talk in collaboration with BTS trainer.

ESG STRATEGY 2
WELLBEING : CULTIVATING A HEALTHY & SAFE WORKPLACE

PenMedic@SASMEC

19 January, 2024
Site Visit and Meeting for Additional Projects: Paediatric ICU and Fertility Centre with the Director of the Development Division, IIUM Gombak.

19 February, 2024
Site Visit by SASMEC & PenMedic Team to Hospital Al Sultan Abdullah UiTM.

29 February, 2024
Bowling Tournament organised by PenMedic, MIM and Advance Pact Sdn Bhd.

3 April, 2024
Yearly Programme *Khatam Al-Quran* during *Ramadan*.

7 May, 2024
Yearly Programme Eid Feast.

31 May - 14 June 2024
Yearly IIUM Sports Event.

PNB

4 November, 2023
Bowling Competition.

7 January, 2024
Chery Eco Run.

3 March, 2024
Paintball 1194 Activity.

29 March, 2024
PNB Staff *Iftar* with Managing Director, AZSB.

24 April, 2024
Majlis Sambutan Hari Raya AidilFitri PNB 1194.

8 June, 2024
Kari Kepala Ikan Tugu Luncheon.

RIC - ADMIN/HR

17 March, 2024
Iftar Gathering 2024.

13 June, 2024
Gotong-Royong Perdana 2024.

TBSB

18 July, 2023
Drop Object Potential Killers Campaign.

11 - 14 September, 2023
Launching of Health, Environmental, Safety & Security ("HESS") - EHS Week.

8 January, 2024
Talk on Dengue.

6 February, 2024
Safe Ride Courses/Fire Drill.

27 February, 2024, 5 March, 2024 & 28 May, 2024
In-House Event (Blood Donation with *Pusat Darah*, HRPZ II).

4 March, 2024
In-House Event (PADU Talk & Registration with Department of Statistics Malaysia ["DOSM"]).

6 March, 2024
Program Motivasi Al-Quran.

27 March, 2024
Road Safety Campaign.

24 April, 2024
TBSB Safety Rules Campaign.

29 April, 2024
Zero Forklift Incident Campaign.

21 May, 2024
Oil Spill Drill.

25 June, 2024
2023/2024 Monsoon Safety Campaign - Zero Incident Award from Hibiscus Oil & Gas Malaysia Limited ("HML").

26 June, 2024
Forklift Awareness Campaign.

ESG STRATEGY 3
NATURE : REDUCING ENVIRONMENTAL FOOTPRINT

Most Material Matters	Health, Safety & Environment
GRI Indicators	2-23, 2-24, 2-25, 2-27, 301 – 308
BMSRG Themes	Emissions Waste and Effluent Water Energy Supply Chain (Environmental) Product and Services Responsibility (Environmental) Materials Compliance (Environmental)
F4GBM Indicators	ECC 01, ECC 15, ECC 31, EPR 01-03, ESC 03, ESC 05, ESC 08, ESC 11, EWT 13

ENSURING COMPLIANCE WITH ENVIRONMENTAL LAWS

(GRI 2-27, BMSRG)

Environmental Quality Act 1974 & Amendment 2012

Solid Waste and Public Cleansing Management Act 2007

Street, Drainage & Building Act 1974

Compliance with domestic laws and international standards is the cornerstone of our EESG and sustainability trajectory. By meeting all applicable local environmental regulations and benchmarking against internal standards, we actively contribute to conserving natural resources, preserving biodiversity, reducing pollution and controlling GHG emissions.

We recognise the economic benefits of compliance, including enhancing brand reputation, expanding market access and avoiding penalties for non-compliance.

With this in mind, the Group remains fully determined to sustain development, safeguard people and the planet and drive profits for current and future generations.

PROMOTING RESPONSIBLE CONSUMPTION AND CLIMATE ACTION

(GRI 2-27, 301 – 303, BMSRG, F4GBM ECC 01, ECC 15, EPR 03)

AZRB subscribes to responsible consumption and circularity principles, aiming to conserve the earth's finite resources and minimise environmental impacts such as pollution and waste generation. By integrating these practices, we are able to reduce our ecological footprint and advocate long-term business sustainability through improved cost efficiency and the mitigation of resource shortages and price volatility.

We actively source sustainable materials for E&C projects and monitor fuel consumption across all Divisions to minimise excessive usage. Our approach is anchored in the 3R principles of reduce, reuse and recycle, which are applied at all operational and administrative sites. An example is the innovative Green Terramesh solution implemented along the EKVE hillsides, which demonstrates our commitment to minimising environmental impact while maintaining project efficiency.

INNOVATIVE GREEN TERRAMESH SYSTEM ALONG EKVE

AZRB continuously seeks innovative ways to reuse and recycle materials, especially in our E&C projects. A notable initiative is the implementation of the Green Terramesh System for reinforced slope systems and mechanically stabilised earth walls and embankments along the EKVE.

The environment-friendly, versatile and modular system provides a natural habitat and absorbs CO_2 through its vegetation. Benchmarking against global best practices in soil reinforcement, Terramesh offers a sustainable, cost-effective solution for stabilising hill slopes. This system enhances water absorption, promotes long-term vegetation growth and eliminates the need for rocks as base material, making it an economical alternative to conventional retaining structures.

For the EKVE project, we repurposed excess excavated soil as a backfill for the Terramesh structure, reducing both transportation time and costs. The objective of this initiative was to minimise environmental impact, optimise resource use and improve project efficiency. The outcome has resulted in waste reduction, lower project costs and a more sustainable construction process, contributing to AZRB's broader environmental goals.

Recycling is highly encouraged at headquarters and project sites. Paper, cardboard and other materials are regularly collected by an appointed recycling agent. Excess construction materials are managed as scrap, which is then sold to external parties, supporting a circular economy.

In line with our climate strategy, we have undertaken a systematic inventory of machinery and vehicles and their respective fuel consumption in FYE 2024. By tracking this data, we aim to identify areas for improvement and widen our reporting on GHG emissions, aligning our efforts with global climate goals and strengthening our sustainability reporting.

ESG STRATEGY 3
NATURE : REDUCING ENVIRONMENTAL FOOTPRINT

LIST OF DIESEL-POWERED VEHICLES & MACHINERY AT PROJECT SITES FYE 2024

8 Cranes

9 Backhoes

10 Excavators

2 Loaders

1 Compactor

8 Generator Sets

3 Forklifts*

3 Primemovers

8 Trucks/Lorry/ Waterbrowsers

1 Tugboat

Two additional forklifts are powered by battery and gas.

FUEL CONSUMPTION (LITRES) FYE 2024

Total (Diesel & Petrol)
396,663

		Diesel	Petrol	Total
HQ & E&C Project Sites	Machinery Vehicles	280,120 14,911	- 26,437	**321,468** (321.47 kilolitres)
TBSB	Machinery Vehicles	53,980 7,568	- 2,477	**64,025** (64.03 kilolitres)
Residence Inn, Cherating	Vehicles	2,182	8,988	**11,170** (11.17 kilolitres)
Total		**358,761** (358.76 kilolitres)	**37,902** (37.90 kilolitres)	**396,663** (396.66 kilolitres)

Conversion of fuel consumption kilolitres to MWh (1 kilolitre=1,000 litres)

HQ & E&C Project Sites	**3,589.51**
TBSB	**714.90**
Residence Inn, Cherating	**124.72**

*1 fuel oil equivalent @kiloliter = 11.1660077736 MWh**
1 MWh = 0.0895575232 fuel oil equivalent @kiloliter*
https://www.unitconverters.net/energy/fuel-oil-equivalent-kiloliter-to-megawatt-hour.html

This was our first attempt to track fuel consumption. FYE 2024 serves as the baseline for tracking fuel consumption. We intend to address gaps in our data sets and improve the data compilation process to present a rolling three-year comparison by FYE 2026.

ELECTRICITY CONSUMPTION (MWh)* FYE 2024

Total
4,057.50
FYE 2023 : 854.08
FYE 2022 : 901.65

	2022	2023	2024
HQ, E&C Project Sites, EKVE, Bentong, Tanjung Lumpur, TGLK & MBK	901.65	854.08	**1,500.96**
O&G: TBS / AFE / ICSB	-	-	**1,856.41**
Residence Inn, Cherating	-	-	**700.13**
Total	**901.65**	**854.08**	**4,057.50**

FYE 2024 serves as the baseline for recording and reporting electricity consumption at project sites and corporate headquarters. Similar to fuel consumption, we intend to improve the data compilation process and present a rolling three-year comparison by FYE 2026.

Electricity-saving measures practised by our employees at the corporate headquarters have resulted in a downtrend in consumption since FYE 2022. Over the past two financial periods, electricity use at the corporate headquarters dropped by more than 7% cumulatively.

ENERGY CONSUMPTION (MWh) FYE 2024

8,486.64
FYE 2023 : 854.08
FYE 2022 : 901.65

	HQ & Project Sites	O&G: TBS / AFE / ICSB	Residence Inn, Cherating	Total
FYE 2022	901.65	-	-	**901.65**
FYE 2023	854.08	-	-	**854.08**
FYE 2024	5,090.47	2,571.31	824.86	**8,486.64**

Energy consumption = fuel consumption + electricity consumption, with conversion using unit converters.net/energy.

	Fuel Consumption (MWh)	Electricity Consumption (MWh)	Total (MWh) (FYE 2024)
HQ & Project Sites	3,589.51	1,500.96	**5,090.47**
O&G: TBS / AFE / ICSB	714.90	1,856.41	**2,571.31**
Residence Inn, Cherating	124.73	700.13	**824.86**
Total (FYE 2024)	4,429.14	4,057.50	**8,486.64**

The energy consumption in FYE 2024 represents the baseline figure for comparison in subsequent years based on the records for limited boundaries in the previous two reporting periods. We expect to present a three-year comparison by FYE 2026.

FYE 2024 Reporting Boundaries: HQ & Project Sites, TBSB, Residence Inn, Cherating.

ENERGY INTENSITY FYE 2024

Energy Consumption (MWh)
8,486.64
FYE 2023 : 854.08
FYE 2022 : 901.65

Revenue (RM Million)
495.47
FYE 2023 : 371.6
FYE 2022 : 723.1

Energy Intensity (ratio)
17.13
FYE 2023 : 2.30
FYE 2022 : 1.25

Energy intensity is calculated by dividing total energy consumption (MWh) from activities in high climate-impact sectors by the net revenue (RM) in millions generated from those related activities.

The energy intensity ratio in FYE 2024 represents the baseline figure for comparison in subsequent years based on the records for limited boundaries in the previous two reporting periods.

We expect to present a three-year comparison by FYE 2026.

**FYE 2024 Reporting Boundaries: HQ, E&C Project Sites, PJHZ, MRT, PNB Site Office, PNB 118, EKVE, Tanjung Lumpur, MBK, Bentong, POC, Other Businesses, O&G: TBS / AFE / ICSB, and Property: Residence Inn, Cherating. FYE 2022 & 2023 only covered the HQ.*

ESG STRATEGY 3
NATURE : REDUCING ENVIRONMENTAL FOOTPRINT

WATER CONSUMPTION (m³)* FYE 2024

Total
88,680
FYE 2023 : 10,245
FYE 2022 : 10,898

FYE 2024 serves as the baseline for recording and reporting water consumption at project sites and corporate headquarters. Similar to fuel and energy consumption, we intend to improve the data compilation process and present a rolling three-year comparison by FYE 2026.

Concerted efforts by our employees have effectively reduced water use at headquarters by more than 42% since FYE 2022.

PROTECTING THE ENVIRONMENT TO PRESERVE BIODIVERSITY

(GRI 304, BMSRG)

AZRB integrates biodiversity considerations in the planning and execution of all our projects to preserve the nation's rich and diverse natural heritage, which includes forest habitats and wildlife species that are unique and vital for ecological balance. Infrastructure and other developments can disrupt such areas, leading to habitat loss and species decline, causing imbalances in ecosystems that can have dire consequences.

Accordingly, the Group and its business units adhere to all environmental laws and regulations, including stipulations for submitting Environmental Impact Assessments ("EIA") for our E&C projects to the Department of Environment ("DOE"). We are firm believers in sustainable development, always ensuring that benefits from new structures and infrastructure do not come at the expense of the natural environment.

Our Environmental Management System ("EMS") is certified to ISO 14001:2015 standards, which guide our efforts to reduce environmental impact and maintain compliance with legal and regulatory requirements enforced by the Department of Wildlife and National Parks of Peninsular Malaysia.

Wildlife Corridors and Environmental Safeguards on the EKVE

The EKVE passes through several forests to the north of Kuala Lumpur, including the Hulu Gombak and Ampang Forest Reserves. Given the sensitive nature of these areas, the project has implemented comprehensive measures to ensure minimal disruption to wildlife and their natural habitats.

Key among these measures is the provision of wildlife corridors, such as bridges and viaduct crossings that allow safe passage for animals beneath and alongside the highway. These corridors facilitate the movement of species between fragmented habitats, reducing the risk of vehicle collisions and allowing for genetic diversity within animal populations, which is critical for long-term biodiversity conservation.

Enhanced Monitoring and Protection

The highway section within the forest reserves has been designed specifically with protective infrastructure, including perimeter fencing and continuous CCTV monitoring. These measures safeguard wildlife from dangerous incursions into traffic areas and deter illegal poaching activities, significantly threatening the region's biodiversity.

This approach aligns with the findings of a comprehensive biodiversity assessment, which formed part of the project's Detailed Environmental Impact Assessment ("DEIA"). Conducted before construction, the DEIA ensured that the design of the EKVE incorporated all necessary environmental protections.

Compliance with Environmental Guidelines

On 25 April 2013, the DOE approved the DEIA for the EKVE project. This report thoroughly examined potential impacts on flora and fauna, erosion control, air and water quality, noise pollution and other key ecological factors. Additionally, the assessment addressed socioeconomic impacts during the highway's construction and operational phases, ensuring that human and environmental concerns were adequately balanced.

Through these proactive measures, the EKVE aims to serve as a model for sustainable development, integrating infrastructure with preserving Malaysia's rich biodiversity.

Benefits of Wildlife Corridors

- **Biodiversity Preservation:** Wildlife corridors provide crucial connectivity for species residing in forest fragments, maintaining ecological balance by preventing habitat isolation.
- **Reduction in Roadkill Incidents:** By offering safe routes beneath the highway, animal crossings minimise wildlife mortality from road collisions.
- **Poaching Prevention:** Fences and surveillance cameras deter illegal hunting and enhance the overall wildlife protection in the area.
- **Habitat Connectivity:** The corridors mitigate the impact of habitat fragmentation, allowing for movement and gene flow between species, which is vital for their long-term survival and adaptability.
- **Sustainable Development:** This initiative represents a critical balance between infrastructure development and environmental stewardship, ensuring that economic progress does not come at the cost of ecological degradation.

ESG STRATEGY 3
NATURE : REDUCING ENVIRONMENTAL FOOTPRINT

Our O&G supply base in Tok Bali, Kelantan is committed to environmental protection on land and water, constantly operating according to the guidelines in the TBSB Green Policy.

- Protect the community from harmful environmental impacts of port operations;
- Distinguish the port as a leader in environmental stewardship and compliance;
- Promote sustainability;
- Employ the best available technology to avoid or reduce environmental impacts; and
- Engage and educate the community.

POLLUTION PREVENTION FOR ENVIRONMENTAL INTEGRITY AND COMMUNITY WELLBEING

(GRI 303, 306, F4GBM ECC 01, EPR 01, EPR 03)

Given the nature of our core business operations, minimising environmental pollution is imperative across the Group. As urban development increases, maintaining a delicate balance between safeguarding natural resources and protecting ecosystems to meet the needs of a growing population becomes even more challenging. Ensuring clean air and water not only affects the surrounding communities but also directly affects our employees, site workers, contractors and visitors.

Beyond environmental stewardship, our pollution control initiatives contribute to operational efficiency by mitigating potential regulatory fines and remediation costs. This commitment further reinforces stakeholder confidence and builds our reputation as a socially responsible enterprise.

Our projects, including the TBSB and EKVE, are adjacent to water bodies, although none fall under protected status. To date, no significant adverse impacts have been recorded from our operations.

The Group enforces stringent protocols enshrined in our Health, Safety and Environment ("HSE") policy to manage air, water, noise and waste pollution, maintaining levels well within regulatory limits. We actively monitor key environmental indicators, such as total suspended particles in the air and conduct water sampling to ensure the efficacy of pollution control systems. Measures include vehicle wash-through stations to reduce airborne particulates, while silt traps and sediment basins filter effluent before it reaches waterways. Noise levels are also systematically tracked at all project sites.

Moreover, hazardous and general waste is handled, stored and disposed of according to industry best practices, preventing soil and water contamination. We comply with all relevant regulations and proactively implement spill prevention measures for hazardous substances. TBSB's participation in the National Oil Spill Contingency Plan ("NOSCP") further underscores our commitment to effectively mitigate and manage oil spills and leaks.

ESG STRATEGY 3
NATURE : REDUCING ENVIRONMENTAL FOOTPRINT

POLLUTION COMPLIANCE FYE 2024

	KLORR	POC
Water Quality (DOE permissible limit: 50 mg/l)	**9** cases of non-compliance recorded **90%** compliant Conducted monthly testing at **8** points	**1** case of non-compliance recorded
Air Quality (DOE permissible limit 260 μg/m³)	**4** cases of non-compliance recorded **92%** compliant Conducted monthly testing at **4** points	–
Noise Level (DOE permissible limit 60 - 65 dB)	**1** case of non-compliance recorded **98%** compliant Conducted monthly testing at **4** points	–

Despite preventive measures, we recorded several instances of non-compliance with air, water and noise quality regulations. We resolve to reduce or eliminate these cases in the new financial year and beyond. Our subsidiary, EKVE Sdn Bhd, actively engages with the Ampang Water Treatment Plant to mitigate water pollution from construction activities.

WASTE GENERATED FYE 2024

Total Domestic
55.19 mt

Total Construction
3,941.40 mt

Total Scheduled
0.02 mt

Scope 3 = 27,431.90 CO_2e (685,798 trees). The data in FYE 2024 marks our inaugural effort to record and report on the waste generated at our project sites. By FYE 2026, we intend to present a comprehensive three-year comparison of these waste metrics.

FYE 2024 Reporting Boundaries: PNB, PJHZ, KLORR, TGLK, PNB 118, POC, MBK, CAM.

SOLID WASTE DISPOSAL FYE 2024

Domestic waste
60.70 mt
FYE 2023 : N/A
FYE 2022 : N/A

Construction waste
1,835.37 mt
FYE 2023 : 42.84 mt
FYE 2022 : 928.00 mt

Construction waste (steel)
N/A
FYE 2023 : 23.02 mt
FYE 2022 : 84.50 mt

Construction waste (plastic barriers)
N/A
FYE 2023 : N/A
FYE 2022 : 0.74 mt

TOTAL **1,896.06 mt**
FYE 2023 : 65.86 mt
FYE 2022 : 1,013.24 mt

Landfill *Recycling* **N/A:** *Data Not Available*

The amount of solid waste disposed of in FYE 2024 has increased significantly compared to FYE 2023, reflecting the full resumption of operational activities during the review period.

Through measuring and tracking our waste performance, we are better equipped to optimise resource use and reduce environmental impact. This initiative is integral to our broader sustainability strategy, particularly in cost savings, driving innovation in using sustainable materials and implementing circularity measures, as detailed in other sections of this Statement.

FYE 2024 Reporting Boundaries cover HQ, Project site, O&G & Property.

SCHEDULED WASTE DISPOSAL FYE 2024

Spent lubricating oil (SW 305)
1.60 kg
FYE 2023 : N/A
FYE 2022 : N/A

Clinical waste (SW 404)
N/A
FYE 2023 : 3.20 kg
FYE 2022 : N/A

Contaminated soil (SW 408)
N/A
FYE 2023 : 523.00 kg
FYE 2022 : N/A

Contaminated filter (SW 408)
N/A
FYE 2023 : 83.00 kg
FYE 2022 : N/A

Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes (SW 409)
5.20 kg
FYE 2023 : N/A
FYE 2022 : N/A

Rags, plastics, papers or filters contaminated with scheduled wastes (SW 410)
15.60 kg
FYE 2023 : 73.00 kg
FYE 2022 : N/A

Waste of inks, paints, pigments, lacquer, dye or varnish (SW 417)
N/A
FYE 2023 : N/A
FYE 2022 : N/A

TOTAL **22.40 kg**
FYE 2023 : 682.20 kg
FYE 2022 : N/A

Recovery *Incinerator* **N/A:** *Data Not Available*

Most projects were halted in FYE 2022 due to the pandemic, with activities resuming progressively in FYE 2023. The N/A for schedule waste indicate that there is no scheduled waste generated for that category.

STRATEGIC EMISSIONS MANAGEMENT FOR CLIMATE RESILIENCE

(GRI 305, F4GBM ECC 01, EPR 01)

AZRB remains committed to addressing greenhouse gas ("GHG") emissions, even as we continue navigating the complexities of focusing on our core business areas. Incremental but meaningful changes are being made to integrate sustainability into our daily operations, especially within our key E&C, O&G, Concession and Property sectors.

While we have not established concrete sustainability measures, we are already taking significant steps. Green Building initiatives are being infused into our construction projects to ensure that all developments undergo rigorous Environmental Impact Assessments ("EIA") and Social Impact Assessments ("SIA"). These practices reflect our long-term vision of responsible development, which balances operational success with environmental stewardship.

The core of our strategy is the education and upskilling of employees, enabling them to contribute meaningfully to our sustainability goals. By exploring sustainability measures and being mindful of waste management across all operations, we are laying the groundwork for more comprehensive actions in the future. Our governance processes are evolving, too, ensuring that sustainability and climate action are ingrained in the decision-making framework.

Our ability to create positive environmental change lies within our control, and therefore, through these foundational efforts, we are striving to address the sustainability challenges in the years ahead.

AIR-CONDITIONING UNITS UNITS BY HORSEPOWER

1 HP	3
2 HP	2
2.5 HP	2
3 HP	4
4 HP	1
14 HP	1
16 HP	7
18 HP	9
20 HP	11
21 HP	2
TOTAL	**42**

TYPES OF REFRIGERANTS

R22	8
R32	2
R410	32

To initiate quantifying fugitive emissions under Scope 1, we compiled a list of air-conditioning units at our headquarters, which will be expanded to include units at all project sites and identify the refrigerant gases used in each unit. This information is essential for accurately calculating fugitive emissions, which we target to include in our FYE 2025 emissions reporting.

GHG EMISSIONS FYE 2024 (CO_2E mt)

Scope 1
Mobile Combustion (Machinery & Vehicles)
990.11
FYE 2023 : 695.5
FYE 2022 : -

Scope 2
Purchased Electricity
3,075.58
FYE 2023 : 529.5*
FYE 2022 : 559.0*

Scope 3
Employee Commuting & Business Travel*
399.30**
FYE 2023 : -
FYE 2022 : -

TOTAL **4,465.00**
FYE 2023 : 1,225.0
FYE 2022 : 559.0

**This figure is using a conversion factor of 0.62kg CO2e/kWh (Malaysia). (Source:www.worldbenchmarkingalliance.org*
***Excludes O&G and Property Divisions.*

GHG EMISSIONS INTENSITY FYE 2024

Emissions (CO_2E)
4,465.00
FYE 2023 : 1,225.0
FYE 2022 : 559.0

Revenue (RM million)
495.47
FYE 2023 : 371.6
FYE 2022 : 723.1

GHG Emissions Intensity (ratio)
9.01
FYE 2023 : 3.30
FYE 2022 : 0.77

Emission intensity = Emissions divided by Revenue in millions.

The energy intensity ratio in FYE 2024 serves as the baseline for comparison in subsequent years, with a three-year comparison expected by FYE 2026.

The Emissions Factor used in these calculations are:
- *Electricity : Peninsular Malaysia Energy Commission 2021 Grid EF @ 0.758 kgCO2e/kWh*
- *Petrol : DEFRA 2023 @ 2.34502 kgCO2e/litre*
- *Diesel : DEFRA 2023 @ 2.51206 kgCO2e/litre*
- *Waste : DEFRA 2023 @ 497.04470 Metric Tons CO2e / Short Ton Material (Treatment: Landfilled) (Source: https://www.mgtc.gov.my/lcos-personal-calculator/)*
- *Conversion of employee commuting via car, motorcycle, bus or rail to CO_2E: (Source: www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022)*
- *Conversion of business travel via car or aircraft to CO_2E: (Source: www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022)*

GHG emissions data in FYE 2024 will serve as the baseline for comparison in the coming years, and we anticipate providing a three-year comparison by FYE 2026.

To initiate quantifying fugitive emissions under Scope 1, we compiled a list of air-conditioning units at our headquarters, which will be expanded to include units at all project sites and identify the refrigerant gases used in each unit. This information is essential for accurately calculating fugitive emissions, which we target to include in our FYE 2025 emissions reporting.

ESG STRATEGY 3
NATURE : REDUCING ENVIRONMENTAL FOOTPRINT

ADVANCING SUSTAINABILITY THROUGH GREEN BUILDING DEVELOPMENT

Green buildings are designed for energy efficiency, resource conservation and environmental sustainability, making them vital in advancing sustainable development (UNSDG 11: Sustainable Cities and Communities) and cultivating resilient cities.

As a leading developer of green buildings in Malaysia, AZRB integrates features such as high-performance insulation, sustainable materials and advanced water-saving technologies. These design choices reduce energy and water consumption, lower operational costs, improve indoor air quality and enhance occupant wellbeing. Green buildings significantly reduce GHG emissions, crucial in climate change mitigation (UNSDG 13: Climate Action).

By FYE 2024, AZRB had successfully completed **four (4)** GBI-rated buildings, including one certified with GBI Platinum and another with GBI Gold. **Four (4)** more projects are underway nationwide, further strengthening our commitment to sustainable construction practices.

The Green Building Index ("GBI") is Malaysia's recognised green rating tool designed to promote sustainability in the built environment and raise awareness among industry professionals and the public about environmental responsibility.

The GBI rating enables developers and building owners to design and construct sustainable buildings that offer energy and water savings, healthier indoor environments, improved public transport connectivity, and enhanced recycling and greenery, ultimately reducing environmental impact.

GREEN BUILDINGS/ PROJECTS

PROJECT	GREEN RATING	STATUS
Menara KKR, Kuala Lumpur 	GBI Platinum	Completed in 2015 *Design Assessment Certification (DA) and Completion & Verification Assessment (CVA) obtained.*
IIUM Medical Centre, Kuantan, Pahang 	Energy Efficient Building	Completed in 2016 *Designed to achieve Building Energy Efficiency (BEI) below 110kWh/m2/year as compared to standard BEI for normal building of 135 kWh/m2/year. No assessment was carried out upon full operation of the hospital.*
UDA Legasi Mix Development, Kampung Baru, Kuala Lumpur 	GBI Gold - Office Building GBI Certified - Residential	Completed in 2021 *Complete up to DA stage only. Client decided not to go with CVA.*
PJHZ Office Building (Z1), Putrajaya 	GBI Certified	Completed in 2023 *DA stage.*
PNB 1194, Office and Hotel Tower, Jalan Sultan Ismail, Kuala Lumpur 	GBI Platinum - Hotel GBI Certified - Office Tower	In progress *DA stage.*
Petronas Office Complex ("POC"), Kerteh, Terengganu 	GBI Gold - Office Building	In progress *DA stage.*
Ampang Library ("EKVE"), Ampang 	GBI Certified	In progress *DA stage.*
Projek Jalan Pintas Cameron Highlands, Pahang 	3-star Green Rating - PHJKR	In progress *DA stage.*

BUILDING RESILIENCE IN OUR SUPPLY CHAIN

(GRI 308, F4GBM ESC 03)

In FYE 2024, we evaluated new and prospective vendors based on environmental criteria to minimise the environmental impact of our supply chain. We prioritise suppliers that can contribute to green building practices, such as implementing rainwater harvesting systems and Integrated Building Systems ("IBS") for enhanced energy efficiency. The Group favours contractors who use IBS in accordance with government initiatives to reduce waste and promote the use of local materials.

We also endeavour to integrate recycling into demolition projects to manage construction waste effectively. We are also transitioning to advanced composite materials, such as carbon or glass fibres bonded with polymers through energy-efficient techniques such as hand lay-up, pultrusion and Resin Transfer Moulding ("RTM"). These materials are being adopted for superior performance and lower energy consumption.

In FYE 2024, AZRB screened 22 prospective vendors against environmental criteria, adding 16 to our approved list. Six (6) companies did not meet the requirements.

CULTIVATING AN ECO-CONSCIOUS WORK ENVIRONMENT

The 'Green Lifestyle' programme was introduced in FYE 2024 to promote sustainability in the workplace by fostering environmentally-conscious habits across the Group. This initiative focuses on individual behavioural changes that collectively drive transformation.

Since April 2024, several awareness programmes have been launched, including the "Changing Habits" initiative, aimed at embedding sustainability into our culture and operations as a core part of our daily practices. These ongoing employee engagement programmes address ESG aspects, ensuring a holistic approach to sustainability and nurturing a committed and environmentally-conscious workforce.

ESG STRATEGY 3
NATURE : REDUCING ENVIRONMENTAL FOOTPRINT

Green Lifestyle Programme

- 3R (Reuse-Reduce-Recycle) Programme
- Plant Swapping Programme

Changing Habits Programme

- Monitoring monthly electricity consumption.
- Monitoring monthly water consumption.
- Waste Management: Effective disposal methods using separate bins for paper, aluminium, metal, glass and plastics.
- Working towards a paperless working environment.
- Increasing the use of biodegradable materials while discouraging plastic and polystyrene containers.

ESG STRATEGY 3
NATURE : REDUCING ENVIRONMENTAL FOOTPRINT

29 January, 2024
Health, Safety & Environment Forum 2024.

12 March, 2024
Workshop : QMS Briefing for the Latest Policy of AZRB and PPSB.

7 June, 2024
ENVIRONMENTAL PROGRAMME : Plant Swapping.

7 June, 2024
PRE-LOVED SALE! (Reuse-Reduce-Recycle Programme).

11 July & 18 July 2023
5S (Sort, Set, Shine, Standardise & Sustain) Training Session.

1 November, 2023
Audit ISO 9001:2015 Certification.

20 November, 2023
Workshop : Briefing on new QMS procedure (Control of Quality Management System).

ESG STRATEGY 4
SOCIAL : ENHANCING LOCAL COMMUNITY

Most Material Matters	Health, Safety & Environment, Quality & Innovation, Diversity, Inclusivity and Social Justice
GRI Indicators	411, 413
BMSRG Themes	Human Rights Society
F4GBM Indicators	SHR 03-04, SHR 15, SHR 17

EMPOWERING COMMUNITIES

(GRI 411, 413, BMSRG, F4GBM SHR 03-04, 15, 17)

Community investments, contributions and donations by AZRB play an essential role in shaping and strengthening society. By directing resources towards local projects, charitable causes and social initiatives, we address pressing social issues, support underserved communities and stimulate positive change.

These efforts often result in enhanced public services, improved quality of life and increased opportunities for education and employment. Further, our contributions create a ripple effect, inspiring others to engage in similar activities and drive social progress towards a more engaged and resilient society.

FINANCIAL CONTRIBUTIONS FYE 2024

AFE
RM1,500.00
(1.68%)

RIC
RM1,379.30
(1.55%)

TBSB
RM28,373.00
(31.80%)

EKVE
RM23,540.00
(26.38%)

ICSB
RM17,450.00
(19.56%)

AZSB
RM1,000.00
(1.12%)

PMSB
RM12,990.35
(14.56%)

AZRB
RM3,000.00
(3.36%)

Total: RM89,232.65

17 June, 2024
Contribution *Hari Raya Qurban*.

21 June, 2024
Food Donation
Rumah Kebajikan Anak Yatim.

AZSB - OPERATIONS

27 February 2024
Cheque donation to the Lembah Jaya Management Council Community for the *"Asnaf, Fakir & Miskin"* Lembah Jaya Residents' Programme.

5 March, 2024
Cheque donation for purchasing basic goods and necessities for *"Program Sumbangan Prihatin Kepada Golongan Asnaf, Ibu Tunggal Asnaf & Fakir Miskin".*

ESG STRATEGY 4
SOCIAL : ENHANCING LOCAL COMMUNITY

AZSB - OPERATIONS

19 March, 2024
Cheque donation for purchasing basic goods and necessities for *"Program Sumbangan Prihatin Kepada Golongan Asnaf, Ibu Tunggal Asnaf & Fakir Miskin"* at Pangsapuri Ukay Indah and Kampung Melayu Sg. Sering.

25 April, 2024
Cheque donation for *"Program Bantuan Barangan Keperluan Ibadah untuk Anak Yatim dan Pelajar Asnaf Fakir An Naafi Selangor".*

PenMedic@SASMEC

3 July, 2023
Ibadah Qurban PenMedic & IIUM Kuantan.

28 March, 2024
Yearly *Program Bubur Lambuk* distribution during Ramadan.

EKVE

1 November 2023
Donation for *"Program Jom Cakna (Amalan Makan Percuma) & Bantuan Persekolahan Untuk Pelajar Miskin/Tidak Berkemampuan"* at SMK Aminuddin Baki, Kuala Lumpur 2024.

30 December, 2023
Sponsorship and donation for *"Karnival Perpaduan Madani Hulu Langat".*

25 March, 2024
Repair works on collapsed bank due to soil erosion as part of CSR activities at Lot 13984 Jalan Kuari Kg Sg Serai.

23 April, 2024
Pavement works at the entrance/ exit road as part of CSR activities at Lot 5630 Jalan Kuari Kg Sungai Serai.

1 May, 2024
Cheque donation made to Surau Desa Pinggiran Serai 7 at Kg Sungai Serai.

2 May, 2024
Cheque donation made to Surau (Jumaat) Ehsaniah Lembah Jaya Utara.

3 May, 2024
Widening works at the entrance/ exit road for the residents as part of CSR activities at Taman Bukit Sekawan, Kg Sungai Serai.

11 May, 2024
Cheque donation made to Surau Al Ukhuwwah Taman Puncak Saujana.

13 June, 2024
Donation for *"Program Bantuan Keperluan Ibadah Asas Kepada Golongan Asnaf Berdaftar"* at Pangsapuri Ukay Indah and Kampung Melayu Sg. Sering.

15 June, 2024
Cheque donation made to Masjid Al-Aman Lembah Jaya.

LOOKING AHEAD

As the Group's sustainability performance directly affects our stakeholder relationships, we are committed to meeting their expectations by continually expanding the scope and scale of our reporting as the platform to improve our EESG performance.

Accordingly, we will constantly assess the effectiveness of our current approach, with the ongoing evaluation enabling us to proactively address potential issues and ensure our practices align with stakeholder interests.

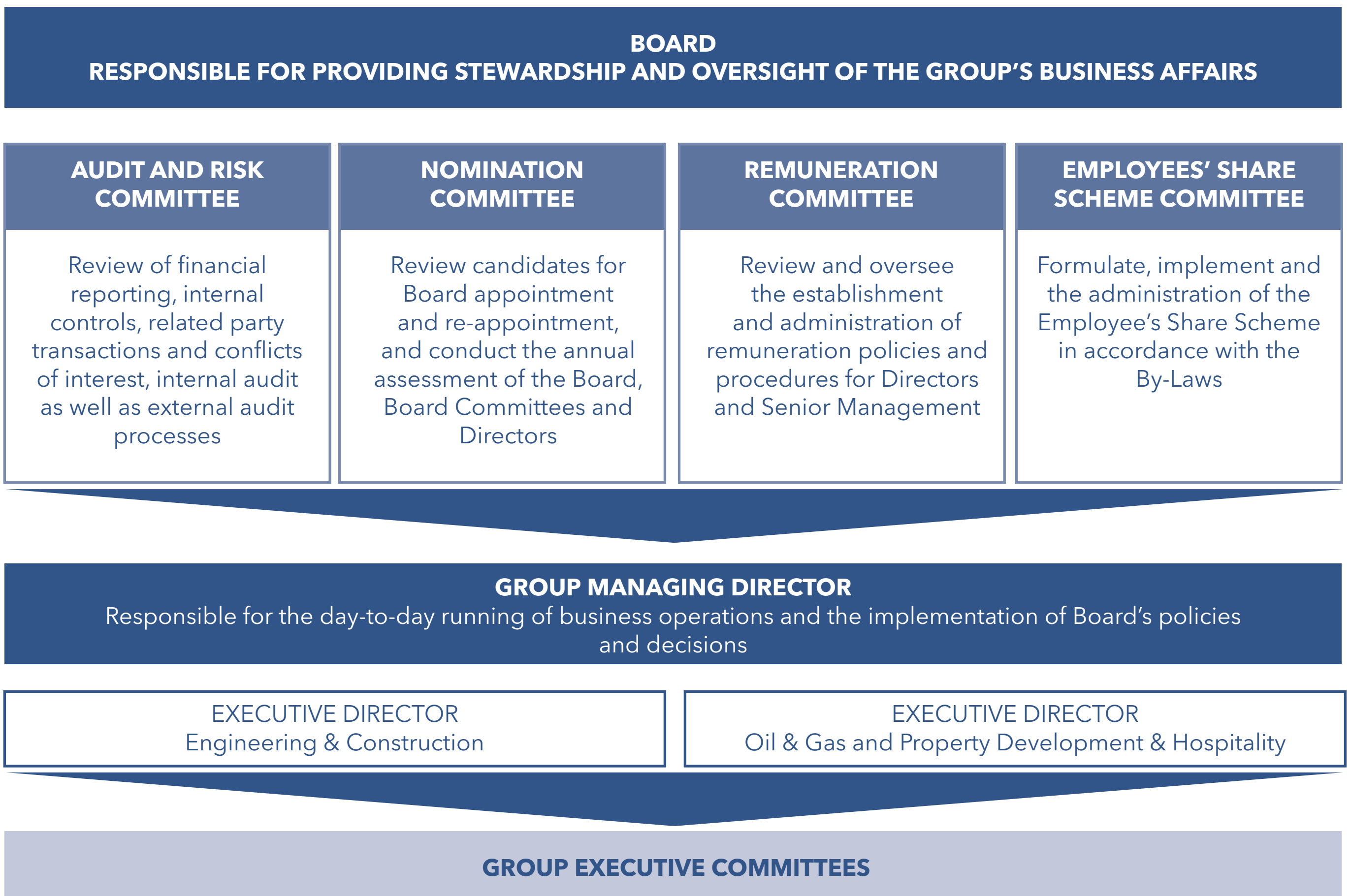
CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Ahmad Zaki Resources Berhad ("AZRB" or "Company") is pleased to present this Corporate Governance Overview Statement ("Statement") which outlines the corporate governance practices of the Company that are in place during the financial year ended 30 June 2024. The Board adopts and applies the principles and best practices as governed by the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance (Revision 2021) ("MCCG") issued by the Securities Commission of Malaysia. This Statement is to be read together with the Corporate Governance Report ("CG Report"), which is available on the Company's website at www.azrb.com.

The Statement takes guidance from the 3 principles set out in the MCCG throughout the financial year under review:

(a) Principle A: Board leadership and effectiveness;
(b) Principle B: Effective audit and risk management; and
(c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS



Corporate Governance Overview Statement

A.1 BOARD'S ROLES AND RESPONSIBILITIES

The Board recognises its roles and responsibilities in discharging its fiduciary duties and leadership functions. The Board is ultimately responsible in determining the direction of the Group; including setting the strategic direction, establishing short, medium and long-term business goals and monitoring the achievement of these goals for the Group. The roles and responsibilities of the Board are clearly defined in the Board Charter which is available on the website of the Company at www.azrb.com.

The principal responsibilities of the Board shall include but not limited to the following:

- Reviewing and adopting a strategic plan for the Company and the Group;
- Promoting a good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- Overseeing the conduct of the Company and the Group's businesses, and to evaluate whether the businesses are being properly managed;
- Identifying principal risks affecting the Company and the Group and ensuring the implementation of appropriate internal controls and mitigation measures;
- Approving succession planning; including appointing, training, fixing the compensation of and where appropriate, replacing Senior Management;
- Overseeing the development and implementation of shareholder and stakeholder communication policies for the Company and the Group; and
- Reviewing the adequacy and the integrity of the management information and internal control systems of the Company including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board is also mindful of the importance of building a sustainable business and therefore, takes into consideration its economic, social and governance impact when developing and implementing the corporate strategies and business plans of the Group. The Board delegates the authority to implement the Group's strategies and managing the operations of the Group to the Group Managing Director ("GMD") and Executive Directors ("EDs") who are supported by a highly qualified Management team. The Board has oversight on matters delegated to the Management, whereby updates are reported at the very least on a quarterly basis, or as and when required. Non-Executive Directors ("NEDs") play key supporting roles, contributing knowledge and experience towards the formulation of policies and in the decision-making process. They could provide the relevant checks and balances, focusing on shareholders' and other stakeholders' interests while ensuring that high standards of corporate governance are applied.

The Board is supported by four (4) Board Committees namely, Audit & Risk Committee ("ARC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Employee Share Scheme Committee ("ESS"), which examine all matters within its scope and responsibilities, and report to the Board with its recommendations for the Board's decision. The ESS has been disbanded on 17 August 2024 following the expiry of the Employee Share Scheme. Details of the Terms of Reference ("ToR") of each of the Board Committees are stipulated in the Board Charter, which are available on our website at www.azrb.com. Each committee chair reports to the Board on the committee's activities following each committee meeting. However, the ultimate responsibility for making final decisions on all matters rest with the Board.

During the financial year under review, the Board has deliberated on business strategies and critical issues concerning the Group, including the business plan, annual budgets, investment proposals, financial results as well as key performance indicators.

Separation of position of Chairman and Group Managing Director

The Board is led by Tan Sri Dr Madinah Binti Mohamad, an Independent Non-Executive Chairman responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. To ensure check and balance, the positions of Chairman and GMD are held by different individuals. To maintain impartiality and avoid impairing objectivity, the Chairman is not a member of the ARC, the NC and the RC.

Company Secretary

The Board is supported by a qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate the adoption of corporate governance best practices. This includes ensuring the distribution of complete and accurate meeting materials within a reasonable period prior to meetings, as well as circulating minutes of meetings in a timely manner. Additionally, the Company Secretary ensures effective communication flows between the Board and its Committees, as well as between Senior Management and the Non-Executive Directors.

Access to information and advice

The Board has full and timely access to information concerning the Company or other external information as they may feel necessary in discharging their duties. Board papers and reports which include the Group's performance and major operational, financial and corporate information are distributed to the Directors at least three (3) business days prior to Board meetings to enable Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting. The Board collectively, and each Director individually, has the right to seek independent professional advice in furtherance of their duties, at the Company's expense, subject to the approval by the Board. Such requests may be done via email or during the Board meeting.

Board Charter

The responsibilities and functions of the Board, each of its committees and the individual directors are specified in its respective ToR, which are embedded in the Board Charter.

The Board Charter is periodically reviewed to ensure that the content is kept contemporaneous with the latest regulations imposed by regulators and best practices whilst at the same time maintaining its relevance to the evolving circumstances of the Group. The Board Charter is made available on the Company's website at www.azrb.com.

Code of Ethics & Conduct, Whistleblowing Policy and Anti-Bribery & Corruption Policy

The Board has put in place a Code of Conduct & Ethics ("CoCE") to ensure that transparent and ethical conduct permeates throughout the Group. The Whistleblowing Policy was established to provide avenues for employees and other stakeholders to disclose concerns relating to violations or improper conduct or wrongdoings or non-compliance with legal and regulations requirements within the Group. In alignment with Section 17A Malaysia Anti-Corruption Commission Act 2009 which came into effect on 1 June 2020, the Anti-Bribery and Corruption Policy ("ABC Policy") was established and updated to manage risk in relation to fraud, bribery and corruption practices.

The CoCE, Whistleblowing Policy and ABC Policy are accessible on the Company's website at www.azrb.com.

Corporate Governance Overview Statement

Sustainability

The Board acknowledges the significance of sustainability and its impact to the business of the Group. Sustainability Department is responsible for creating the sustainability framework to address material sustainability risks, monitor sustainability related matters and recommend strategies that incorporate the Environmental, Social and Governance ("ESG") elements into the business process.

An update on our approach towards sustainability is presented in the Sustainability Statement section of this Annual Report.

A.2 BOARD SIZE AND COMPOSITION

During the financial year under review, the Board has eight (8) Directors comprising an Independent Non-Executive Chairman, three (3) Non-Independent Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors, which complies with Paragraph 15.02 of the MMLR.

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

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

The Board adopts Fit and Proper Policy for Directors to ensure that there is a formal and transparent process for the appointment and re-election of Directors of the Company. The execution of this policy is delegated to the NC. The said policy is available on the Company's website at www.azrb.com.

Board Meetings

Board and Board Committees Meeting are scheduled quarterly (as applicable) with additional meetings convened as and when necessary. An annual Board calendar incorporating meeting dates will be circulated to the Directors in advance before the commencement of a new financial year. Meeting materials are provided to the Board and Board Committees at least three (3) business days prior to the meetings to accord the Directors sufficient time to assess and review the proposals or information. In between Board meetings, approval on matters requiring the sanction of the Board are sought by way of circular resolutions enclosing all relevant information to enable the Board to make informed decisions. The resolutions passed by way of such circular resolutions were then noted in the next Board meetings.

Corporate Governance Overview Statement

The meeting attendance for the Board during the financial year under review are recorded as follows:

Name	Attendance
Tan Sri Dr Madinah Binti Mohamad	12/12
Dato' Sri Wan Zakariah Bin Haji Wan Muda	12/12
Dato' Ir. W Zulkifli Bin Haji W Muda	11/12
Dato' Roslan Bin Tan Sri Jaffar	12/12
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	11/12
Dato' Ir. Haji Che Noor Azeman Bin Yusoff	12/12
Dato' Hj. Wan Mohd Hilmi Bin Wan Kamal[1]	1/1
Mr. Lee Chee Khoon	12/12

[1] *Appointed on 15 March 2024*

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. At present, none of the Directors hold more than five (5) directorships in any other public listed companies at any point of time.

Boardroom and Gender Diversity

The Board is supportive of the diversity in gender, ethnicity and age. The Board will endeavour to improve diversity in the Board by widening the scope of director sourcing and actively looks for directors to add relevant expertise to the Board.

There are four (4) female Directors within the AZRB Group of Companies. The Board will continue to source for qualified female candidates without compromising on the business imperative.

Directors' Training

The Directors keep themselves abreast with the latest industry developments as well as new statutory and regulatory requirements by attending various training programmes, seminars and/or conferences to enable them to discharge their duties effectively.

Dato' Haji Wan Mohd Hilmi Bin Wan Kamal who was appointed to the Board on 15 March 2024 had completed the Mandatory Accreditation Programme Part I, in relation to corporate governance, and director's roles, duties and liabilities, within the stipulated timeframe of the MMLR. Bursa Securities had, effective from 1 August 2023, introduced sustainability training requirement for all directors, under Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ("MAP II") to be completed on or before 1 August 2025. Some of the board members have attended the MAP II.

In addition to formal training programmes, the Board was briefed on regulatory updates from the Bursa Securities Malaysia Berhad, Securities Commission Malaysia and the Companies Commission of Malaysia by the Company Secretary.

Corporate Governance Overview Statement

The training programmes and briefings attended by the Directors during the financial year under review are as follows:

- Briefing of the Technology and Precast Product Technical Presentation by Dura Technology Sdn Bhd
- Building a Data Driven Organization by MyOne Corporation Sdn Bhd
- Conflict of Interest and Governance of Conflict of Interest by Bursa Malaysia
- Bursa Malaysia Mandatory Accreditation Programme
- Bursa Malaysia Mandatory Accreditation Programme Part II : Leading for Impact
- Cybersecurity Concept Reference – Challenges in Managing Cyber Security
- ESG Reporting & Carbon Management Workshop 2024
- Knowledge Sharing Programme on Project Management by Chairman of Ahmad Zaki Sdn Bhd

Nomination Committee ("NC")

The NC assists the Board in reviewing the structure, composition, size and skill set of the Board, including providing advice to the Board on the retirement and appointment of additional and/or replacement Directors. The NC is chaired by Dato' Ir. Haji Che Noor Azeman Bin Yusoff, Senior Independent Non-Executive Director and comprises all NEDs, majority of whom are independent. The detailed roles and responsibilities of the NC as set out in its ToR is available at the Company's website at www.azrb.com.

Key matters discussed by the NC, amongst others:

- Assessing and recommending to the Board the continuation of service of the Directors who are seeking re-election at the Annual General Meeting ("AGM");
- Assessing and recommending to the Board on the appointment of Chairpersons for subsidiaries of AZRB;
- Considering and recommending INEDs who have served for a cumulative term of more than 12 years to continue in office as Non-Independent Non-Executive Directors;
- Assessing the effectiveness of the Board and Board Committees as a whole and the contribution of each individual Director according to the assessment process;
- Reviewing the required mix of skills and experience and other qualities, including core competencies, which NEDs should bring to the Board;
- Reviewing and assessing the annual performance and effectiveness of the Board and the Board Committees; and
- Reviewing the terms of office and performance of the ARC and each of its members annually to determine whether the ARC had carried out their duties in accordance with their ToR.

Re-election and Re-appointment

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

Independent Non-Executive Directors

The Board noted that MMLR limit the tenure of an Independent Director (ID) to not more than a cumulative period of 12 years from the date of his/her first appointment as ID. None of the IDs tenure exceeded 12 years.

Corporate Governance Overview Statement

A.3 REMUNERATION

The Directors' remuneration is reviewed periodically to ensure it is set at levels that enables AZRB Group to attract and retain Directors with the relevant experience and expertise needed to manage the Group effectively. The Company has its own Remuneration Policy for NEDs, aimed at strengthening the Company's commitment to attracting and retaining talented and well qualified candidates while being financially cautious. For transparency purposes, the Remuneration Policy is published on the Company's website. In addition, all Senior Management and Directors are indemnified under a Directors' and Officers' Liability Insurance against any liability incurred by them in discharging their duties. A copy of the Remuneration Policy is available on the Company's website at www.azrb.com.

The details of the Directors' remuneration for the financial year ended 30 June 2024 are shown in the table below:

Name of Director	Received from the Company (RM'000)			Received from the Group (RM'000)		
	Fees and Meeting Allowance	Salary[1] and other Emoluments	Benefits-in-kind	Fees and Meeting Allowance	Salary[1] and other Emoluments	Benefits-in-kind
Executive Directors						
Dato' Sri Wan Zakariah Bin Haji Wan Muda	13.0	-	-	176.1	1,314.6	61.4
Dato' Ir. W Zulkifli Bin Haji W Muda	12.0	-	-	27.0	1,200.0	53.0
Dato' Roslan Bin Tan Sri Jaffar	13.0	-	-	73.0	922.5	41.8
Non-Executive Directors						
Tan Sri Dr Madinah Binti Mohamad	255.6	-	31.2	255.6	-	31.2
Dato' Ir. Haji Che Noor Azeman Bin Yusoff	19.0	-	-	202.3	-	17.1
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	168.0	-	-	231.2	-	4.0
Mr. Lee Chee Khoon	139.0	-	-	201.0	-	-
Dato' Haji Wan Mohd Hilmi Bin Wan Kamal [2]	27.6	-	-	27.6	-	-

Notes:

[1] Excludes Employees Provident Fund ("EPF") and other statutory contributions.

[2] Appointed as Independent Non-Executive Director on 15 March 2024.

Corporate Governance Overview Statement

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

B.1 AUDIT AND RISK COMMITTEE ("ARC")

The ARC assists the Board in overseeing the financial reporting of the Group by reviewing the quarterly financial results and annual audited financial statements to ensure that they are drawn up in accordance with the applicable financial reporting standards and the requirements of the Companies Act, 2016 prior to recommending them for approval by the Board and subsequent issuance to the shareholders.

During the financial year under review, the ARC comprises three (3) members, all of whom are NEDs, with a majority of them being independent directors. One of the ARC is a member of Malaysian Institute of Accountants. The ARC have undertaken, and will continue to undertake, continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

The ToR of the ARC are contained in the Board Charter, which is available on the Company's website at www.azrb.com. The membership of the ARC, meeting & attendance, training, summary of work and summary work of the internal audit function are set out in the Audit and Risk Committee Report section of this Annual Report.

The Directors are satisfied that in preparing the financial statements of the Company and the Group, the Group has applied the appropriate accounting standards and policies with consistency in the preparation of these financial statements. The Statement of Directors' Responsibility is given in the Statement of Directors' section of this Annual Report.

B.2 RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its overall responsibility of the Group's system of internal control as well as risk management to safeguard shareholders' investment and the Group's assets. The effectiveness of the Group's internal control is reviewed by the ARC during its quarterly meetings. This review covers the governance, risk and compliance controls as well as the process for the identification, evaluation and management of the significant risks faced by the Group.

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

Internal Audit and Risk Management Function

The Group Corporate Assurance Department ("GCAD") serves as the internal audit and risk management function of AZRB Group. Independent of the external audit function, GCAD provides independent, regular and systematic reviews of the internal control, risk management and governance processes within the Group. In preserving independence, the Head of GCAD functionally reports to the ARC Chairman and administratively to the GMD.

A comprehensive view of the Internal Audit function is provided in the ARC Report section of this Annual Report and the Group's risk management and internal control framework is available in the Statement on Risk Management and Internal Control section of this Annual Report.

Corporate Governance Overview Statement

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

C.1 COMMUNICATION WITH STAKEHOLDERS

The Board acknowledges the importance of timely and equal dissemination of all material business, corporate and financial developments affecting the Group to shareholders and other stakeholders. Whilst the Group endeavours to provide as much information as possible to its stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

The Board ensures that continuous disclosures made are effective and transparent whilst regular communication with its stakeholders is conveyed through a variety of communication channels such as annual reports, circulars to shareholders, press releases, announcements made through Bursa Securities; including quarterly result and annual financial results which provide shareholders with an overview of the Group's business and financial performances.

The Company maintains a corporate website at www.azrb.com which provides corporate and financial information of the Group. Shareholders and the public can also direct their queries through the email contacts at azrb@azrb.com.

C.2 CONDUCT OF GENERAL MEETINGS

The Company recognises the importance of shareholder participation in general meetings and supports and encourages shareholders' participation. The Company has poll voting arrangements in place.

The Company's 26th AGM was held virtually on 12 December 2023 at Level 7 of Menara AZRB, Kuala Lumpur as the Broadcast Venue and the Notice of AGM was circulated to shareholders on 31 October 2023. To encourage shareholders' participation, clear guidance notes on the administrative matters were also provided to shareholders. Shareholders were also invited to send in questions before and during the AGM.

During the AGM, the Board presents the financial performance of the Group. Shareholders are given the opportunity to seek and clarify any pertinent and relevant issues in relation to the operations and performance of the Group.

All the Board Members were present at the AGM. Besides the Directors, the Company Secretary, Senior Management and External Auditors were also in attendance.

The AGM Minutes together with the Question & Answer ("Q&A") from the 26th AGM are published on the Company's website at www.azrb.com.

This Corporate Governance Overview Statement was approved by the Board of Directors of the Company on 21 October 2024.

AUDIT AND RISK COMMITTEE REPORT

The Board of Ahmad Zaki Resources Berhad is pleased to present the Audit and Risk Committee ("ARC") Report for the financial year ended 30 June 2024.

COMPOSITION

The present members of the ARC are as follows:

Chairman
Mr. Lee Chee Khoon
Independent Non-Executive Director

Members
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
[*A member of the Malaysian Institute of Accountants (MIA)*]
Non-Independent Non-Executive Director

Dato' Ir. Haji Che Noor Azeman bin Yusoff
Senior Independent Non-Executive Director

TERMS OF REFERENCE

The written terms of reference of the ARC is readily accessible to the public for reference on the Company's website at www.azrb.com.

MEETINGS AND ATTENDANCE

Details of attendance of each member at the ARC meetings during the financial year under review are as follows:

Member	30 Aug '23	30 Oct '23	17 Nov '23	29 Nov '23	28 Feb '24	30 May '24	Total Attendance
Mr. Lee Chee Khoon	√	√	√	√	√	√	6/6
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	√	√	√	√	√	√	6/6
Dato' Ir. Haji Che Noor Azeman bin Yusoff	√	√	√	√	√	√	6/6

The Group Managing Director ("GMD"), Executive Directors, Chief Financial Officer and Financial Controller were invited to attend all ARC meetings to facilitate direct communications as well as to provide clarification on audit issues, and the Group's operations, if any. The relevant person in charge of the respective division/project was duly invited to brief the ARC on specific issues arising from the audit reports or any matters of interest, if required. The Head of Group Corporate Assurance Department also attended the ARC meetings by invitation to present the reports on internal audit, risk management, sustainability, integrity and any other compliance or governance related matters.

The external auditors were also invited to attend the ARC meetings to present their reports on the audited financial statements. For each financial year period, a private meeting between the ARC and the external auditors without the presence of the Executive Directors and the Senior Management was scheduled to discuss any and all audit feedback.

Beyond the formally scheduled or organised meetings, the ARC has unrestricted access to both the internal and external auditors, who report functionally and directly to the ARC. The ARC has established a transparent framework to maintain an appropriate relationship with the Company's external auditors. During the financial year under review, the external auditors have provided the necessary assurances that its personnel are, and have been independent, throughout the conduct of the audit in accordance to the terms of all relevant professional and regulatory requirements.

SUMMARY OF ACTIVITIES UNDERTAKEN BY ARC

The following activities were carried out by the ARC during the financial year ended 30 June 2024 in discharging its functions and duties:

Financial Reporting

(i) Reviewed the unaudited quarterly financial results of the Group including the announcements pertaining thereto presented by the Management before recommendations were made to the Board for approval.

(ii) Reviewed the consolidated audited financial statements of the Company and the Group which were drawn up in accordance with the applicable Malaysian Financial Reporting Standards and IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia, for recommendation to the Board for approval.

External Audit

(i) Reviewed and approved the audit planning memorandum covering the engagement team, materiality, audit scope, audit methodology and timing of audits, audit focus areas, significant accounting policies/disclosures, risk of false and misleading financial statements, directors' responsibilities, auditors' responsibilities and auditors' independence.

(ii) Reviewed the External Auditors' status of the audit.

(iii) Reviewed the audit fees of the External Auditors for the ensuing year prior to recommendations made to the Board for approval.

(iv) Reviewed the non-audit services rendered by the External Auditors to the Group for the financial year under review prior to engagement. The External Auditors also reported to the ARC their policies and measures taken to ensure independence and objectivity were maintained.

(v) Met with the External Auditors without the presence of Executive Directors and management team of the Company to discuss any issues of concern to the External Auditors arising from the annual audit. There was no major issue raised during the meetings.

Audit and Risk Committee Report

Internal Audit ("IA")

(i) Deliberated and approved the annual IA plan and budget for the IA function for 2024.

(ii) Reviewed and discussed the IA reports which consist of the findings, recommendations and the management responses to ensure that all key risks were addressed and adequate controls were put in place on a timely basis.

(iii) Reviewed the IA's follow up reports on outstanding audit issues to monitor the effectiveness of corrective actions taken by Management.

(iv) Reviewed the effectiveness of the internal control and governance processes within the Group.

(v) Assessed the IA's proficiency, resources and independence to ensure adequate discharge of the duties and responsibilities of the IA function.

Risk Management

(i) Reviewed and discussed the Risk Management Plan of the Company and its subsidiaries for the financial year ended 30 June 2024.

(ii) Reviewed and approved the Quarterly Risk Management reports of the Company and its subsidiaries.

Governance

(i) Reviewed the recurrent related party transactions ("RRPT") entered into by the Group on a quarterly basis. Reviewed any related party transactions and conflict of interest situations that may arise within the Company and the Group.

(ii) Reviewed the draft Circular to Shareholders with regard to the proposed renewal of shareholders' mandate for existing RRPT of a revenue or trading nature of the Group including the adequacy and appropriateness of the procedures for RRPT and the Audit Committee Statement stated therein.

(iii) Reviewed and discussed the Sustainability Plan of the Company and its subsidiaries for the financial year ended 30 June 2024.

(iv) Reviewed and recommended the following Corporate Statements for inclusion in the Company's Annual Report for the Board's approval:

- Sustainability Statement;
- Statement of Risk Management and Internal Controls which was supported by an independent review by our External Auditors;
- Audit and Risk Committee Report; and
- Directors' Responsibility Statement for the financial year ended 30 June 2024.

Internal Audit Function

The Group's IA function is performed in-house and is independent from the main activities and operations of the AZRB Group. The IA reports functionally to the ARC and administratively to the GMD. The main role of the IA function is to undertake regular reviews of the Group's systems of internal controls, procedures, and operations so as to provide a risk-based, and objective assurance, to the ARC regarding the adequacy and effectiveness of governance, risk management and control process.

The IA activities during the financial year are summarized below:

- Prepared the annual IA plan for deliberation and approval by the ARC;
- Performed 9 audit reviews on business divisions and projects to ascertain the adequacy and compliance of their system of governance, risk management and internal control; and
- Conducted 2 follow-up audit to determine the adequacy, effectiveness and timeliness of actions taken by Management on the audit recommendations while providing updates on their status to the ARC.

The results of the audit reviews were discussed with Management and subsequently, the audit findings, including the recommendations for improvement, were presented to the ARC at scheduled meetings. In addition, the IA function carried out follow-up reviews to ensure that corrective actions had been implemented in a timely manner by Management and the results of such reviews were also periodically reported to the ARC. Although there were a few internal control weaknesses identified, none of the weaknesses have resulted in any material breaches that would require a separate disclosure in this Annual Report.

It gives us great pleasure to acknowledge the leadership of our Group Internal Audit Department Head, En Rozman Shariff ("En Rozman"), who is also the Head of Group Corporate Assurance Department. With an outstanding experience in enterprise risk management, compliance and integrity, business continuity management, and risk governance, En Rozman offers an extensive breadth of knowledge to the position. His broad background includes work in the engineering and defence sectors in addition to numerous prominent financial institutions.

En Rozman holds two certifications: the HRD Corp Certified Train-The-Trainer and the Ahmad Ibrahim Kulliyyah of Laws, International Islamic University Malaysia ("IIUM"), Certified Compliance Officer Programme ("CCOP"). Being honoured by the Enterprise Risk Management Academy ("ERMA") as the 2018 ASEAN Risk Awards - Risk Manager of the Year further attests to his skill. The efficacy and integrity of our Internal Audit Department are greatly enhanced by his outstanding leadership and profound understanding of risk management.

Under En Rozman's direction, our Internal Audit Department keeps up its stellar reputation, guaranteeing strong risk control and compliance throughout the whole company.

There are 2 internal auditors in the Group. The IA personnel are free from any relationships, or conflict of interest, which could impair their objectivity and independence. The IA activities were conducted using a risk-based approach and were guided by the International Professional Practice Framework. The total cost incurred for the IA function for the financial year ended 30 June 2024 amounted to RM125,412.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to the Main Market Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad ("Bursa Securities") and the requirements of the Malaysian Code on Corporate Governance, the Board of Directors ("the Board") is committed to maintaining a sound system of risk management and internal control within Ahmad Zaki Resources Berhad ("AZRB") and its subsidiaries ("the Group") to manage risk and to report on internal controls and regulatory compliance so as to safeguard shareholders' investment and the Group's assets.

Set out below is the Board's Statement on Risk Management and Internal Control ("Statement" or "SORMIC") for the financial year ended 30 June 2024 which was prepared in accordance with the Guidelines for Directors of Listed Issuers ("Guidelines") issued by Bursa Securities and pursuant to Paragraph 15.26(b) of the Listing Requirements. This Statement outlines the nature and scope of risk management and internal control covering all of the Group's operations except for associate companies and smaller investments.

BOARD'S RESPONSIBILITY

The Board recognises the importance of maintaining a sound system of risk management and internal control within the Group and as such has reaffirmed its commitment and responsibility for the Group's risk management and internal control systems covering not only financial controls but also operational, strategic and compliance controls, and for reviewing the adequacy of integrity in these systems.

The system of risk management and internal control is designed to identify and manage the Group's risk within the acceptable risk tolerance, rather than to eliminate the risk of failure in achieving the Group's business objectives in accordance with the Group's strategy. Accordingly, it can only provide reasonable assurance but not absolute assurance against material misstatement, financial loss or fraud. The Group's concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.

KEY INTERNAL CONTROL FEATURES

The Group has a structure which outlines accountability, authority and responsibility to the Board, its committees and Management. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control that include the following:

1. AUTHORITY AND RESPONSIBILITY

a. Board of Directors

The Board is the pillar of the Group's risk management and internal control practices. The Board is committed to maintaining a sound system of internal control and the overall responsibility for risk oversight, mirroring its overall responsibility for strategy.

The Board meetings are held on a quarterly basis during the year to review and evaluate the Group's operations and performance and to address key issues. However, additional meetings may be convened as Special Board Meetings when required.

b. Audit and Risk Committee

The Audit and Risk Committee ("ARC") is responsible for ensuring the effectiveness of the organization's integrated risk management function, reviewing the internal audit plan and the results of internal audit activity, and ensuring that appropriate action is taken in response to internal audit recommendations. The ARC also assists the Board in overseeing ethics and integrity, ensuring that a culture of ethics and integrity is promoted within the Group, in line with the Group's core values; appropriate policies and procedures to address bribery and corruption risks are established, maintained, and periodically reviewed.

The ARC composition comprises of three (3) Independent Non-Executive Directors. The ARC has full access to both Internal Auditors and External Auditors and has the right to convene meetings with auditors without the presence of Executive Directors and Management.

2. PLANNING, MONITORING, AND REPORTING

For the current year's business plan and budget, the Group has prepared an annual business plan and budget for all business divisions and subsidiaries. The annual business plan and budget were deliberated and approved by their respective Boards. The performance of each business division and subsidiary is assessed against budget by the Chief Financial Officer, with explanations on significant variances presented to the Board on a quarterly basis.

3. POLICIES AND PROCEDURES

Clearly documented policies and procedures of business processes have been set out in a series of Standard Operating Procedures ("SOPs") under the Integrated Management System ("IMS") and implemented throughout the Group. These policies and procedures are periodically reviewed and updated to reflect the changes in business structure, processes as well as changes in the external environment.

4. INTERNAL AUDIT

The internal audit function of the Group, through the Internal Audit Department ("IAD"), serves to offer an independent assurance provided by business operations and oversight functions. Through internal audit reviews, IAD's principal roles are to evaluate and improve the effectiveness of internal control within the Group.

Regular reviews by IAD are carried out based on the annual internal audit plan which encompasses the management of risk and governance, and the effectiveness and adequacy of the internal control procedures across the various business divisions within the Group. The corrective actions taken by Management with regard to the significant weakness in the internal control on audit recommendations are reported on a regular basis to the ARC for their update, consideration and approval.

Further information on the activities of IAD can be found in the ARC Report.

5. RISK MANAGEMENT

a. Risk Management Governance

Risk management governance consists of a risk oversight structure that portrays the systematic approach that is being used by the Group to escalate risk reporting from the respective business units all the way to the Board level as depicted below:

Statement on Risk Management and Internal Control

As depicted in the Group's risk management procedure, risks are broadly categorised into strategic, operational, financial, organisation capability and human resource, information & technology and customer. The identified individual risk events under the broad risk categories have undergone comprehensive reviews in line with the Group's risk management methodology.

During the year under review, the significant risks across divisions were presented and deliberated in the meetings of the Divisional Exco, Board of Directors of subsidiaries and ARC. Each Division is responsible for taking ownership and managing its risks. The Group Risk Management Department ("GRMD") facilitates each Division in fulfilling risk management obligations. GRMD contributes to the risk assessment process by guiding process owners in identifying risks and determining risk ratings. GRMD also provides guidance and assistance in developing risk action plans, as well as monitoring the effectiveness and status of risk mitigation actions.

The Head of Business Divisions are responsible for identifying, analysing and evaluating risks, as well as developing, implementing and monitoring risk action plans and reporting all risks to the Divisional Exco, Board of Directors of subsidiaries and ARC. The Divisional Exco, Board of Directors of subsidiaries and ARC have noted the key risks, the potential impact and likelihood of risks occurring, the effectiveness of existing controls and the risk action plans that have been or are being taken to manage the risks to the desired levels.

During the fiscal year, the Group is facing cash flow constraint and a potential delay in project completion. The Group continues to closely monitor cash flows through cost optimisation initiatives and balancing progress claims and receipts for all current construction projects. Furthermore, the Group maintains regular contact and an open communication channel with its important business partners to resolve any problem that develops.

b. Risk Management Policy and Framework

The Board recognises the existence of risks across the Group, presenting both threats and opportunities to its businesses. In order to achieve the Group's business objectives and strategies, the Board and Management would have to make decisions that will involve some degree of risk. The following risk management policy provides guidance as to the management of risks and its application across the Group:

01 **Integrate risk management into AZRB culture, business activities and business decision making processes.**

02 **Inculcate risk management in every business process at every level.**

03 **Anticipate and respond to the changing operational, economic, social, environmental and regulatory requirements proactively.**

04 **Manage risks pragmatically, to an acceptable level given specific circumstances of each situation.**

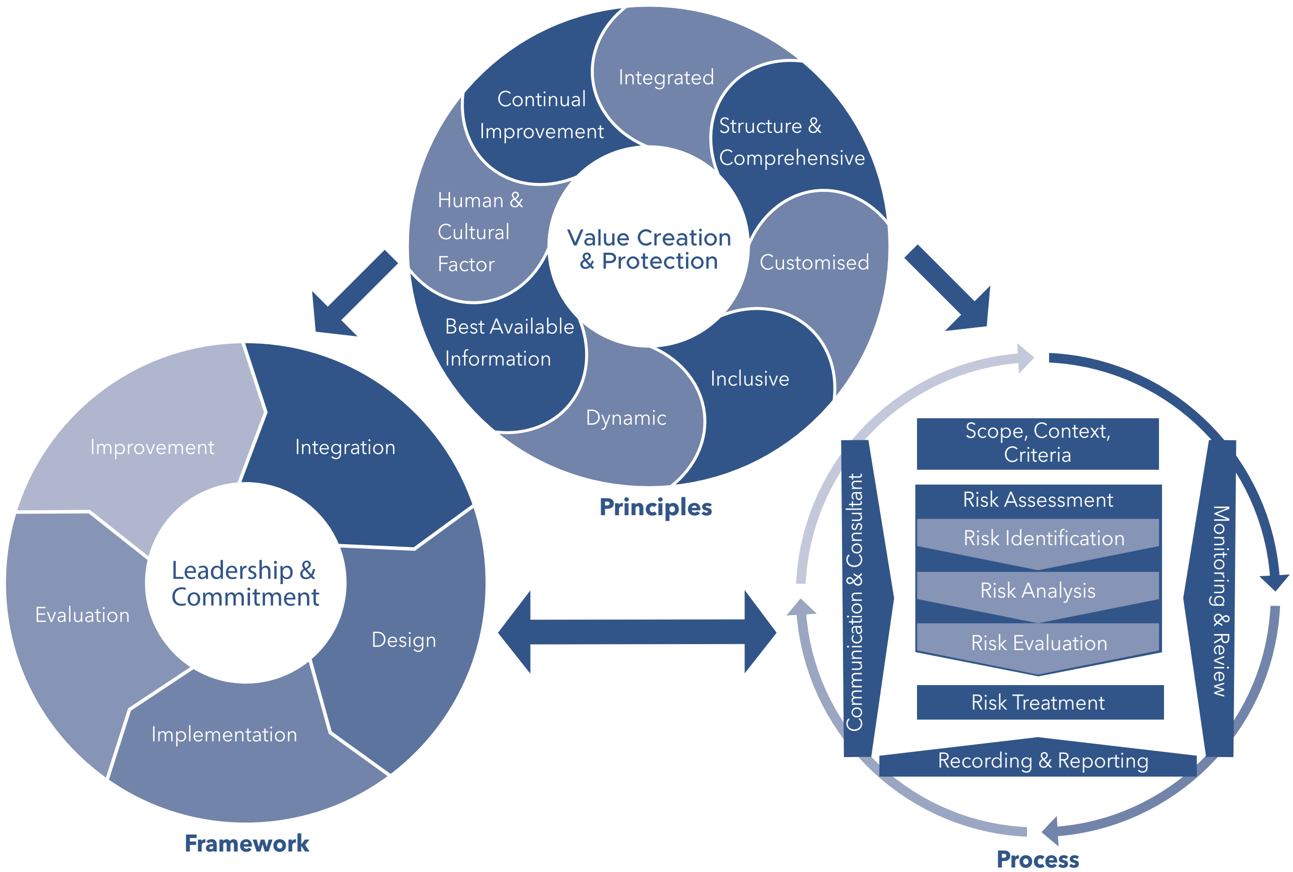
05 **Ensure all approvals to strategy, key projects, major assets, significant initiatives or investment should include a detailed risk assessment report as and when required.**

06 **Implement a robust and sustainable risk management framework that is aligned with AZRB vision, mission and in accordance to best practices.**

Statement on Risk Management and Internal Control

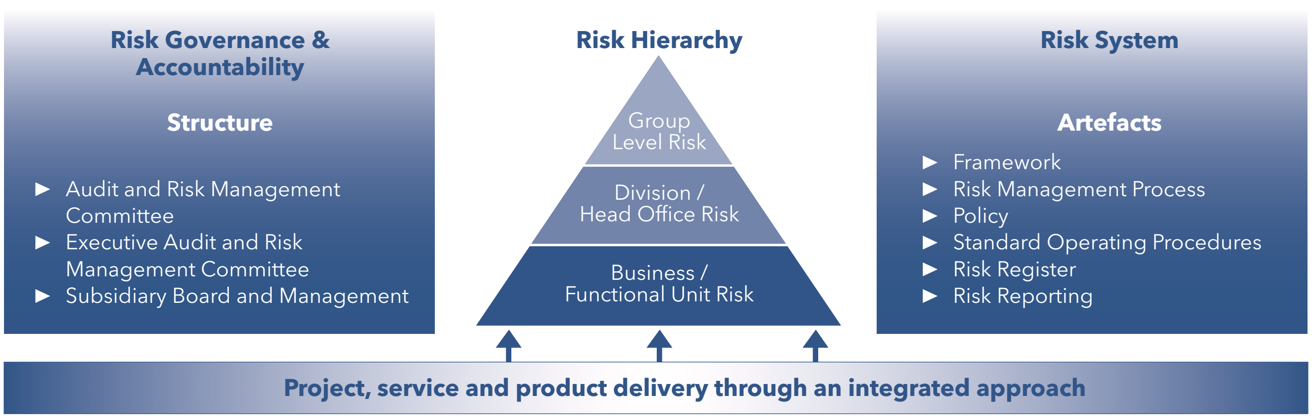
The Group is committed to ensuring that risk management processes are consistent with industry standards; therefore, the Enterprise Risk Management Framework has been revised and approved by the Board in December 2023.

AZRB has also adopted the risk management principles, framework, and process embedded in the MS ISO 31000:2018 in identifying, evaluating, and managing risks across the Group as depicted below:



c. The AZRB Risk Management Framework

Risk management will be implemented by ensuring that the risk management process is integrated into the practices and processes of all Division, Department, Business, and Functional Units within the AZRB Group. The relationship between and integration of risk hierarchy, risk governance and accountability, and risk system are depicted below.



Statement on Risk Management and Internal Control

d. Implementing Risk Management Culture

Enterprise Risk Management

During the financial year, the Group Risk Management Department performed an independent risk review with business units and departments within the AZRB Group to analyse and enhance our organization's risk management framework. **Forty-one (41)** enterprise risk validation exercises were undertaken throughout the fiscal year.

The review will include a detailed evaluation of our risk identification, assessment, mitigation, and monitoring processes. The goal was to identify potential risks to our operations, financial performance, and strategic objectives, as well as emerging risk, and to give recommendations for strengthening our risk management systems.

Project Risk Management

Effective project management necessitates a proactive approach to detecting, assessing, and reducing risks that could possibly derail project goals. We emphasise the importance of Project Risk Management Workshops in strengthening our project management capabilities.

Throughout the financial year, four (4) project risk workshops were held:

- Workshop on risk assessment for Project Jalan Pintas Cameron Highland ("PJPCH") in collaboration with Jabatan Kerja Raya. The JKR personnel, consultants, and members of the AZRB project team attended the workshop, which took place from 28 August 2023 to 30 August 2023.

- A risk assessment workshop for PJPCH was led by the Risk Management Department and attended by the AZRB project team from 30 October 2023 to 31 October 2023, at AZRB Headquarters.

- The East Klang Valley Expressway - Kuala Lumpur Outer Ring Road ("EKVE-KLORR") project underwent a risk assessment on 5 January 2024, at AZRB Headquarters. The workshop was conducted by the Risk Management Department.

- A pre-construction risk assessment workshop for PJPCH was conducted from 25 June 2024 to 26 June 2024 at the project site office.

Key personnel from various disciplines for the project attended these workshops, which served a variety of crucial purposes:

- Proactive Risk Identification: By bringing together project teams, stakeholders, and risk management specialists, these workshops enable the early detection of possible issues. This proactive approach enables the creation of risk-management measures before they become difficulties.

- Enhanced Risk Assessment: Workshops offer a controlled environment for thoroughly evaluating the likelihood and effect of identified hazards. This extensive evaluation aids in the prioritisation of risks and the optimal allocation of resources to manage them.

- Communication: Workshop participants can use collaborative conversations to create and implement complete risk mitigation solutions. The joint skills and different viewpoints help to create more resilient and inventive answers to possible difficulties.

- Increased Stakeholder Confidence: By demonstrating a disciplined approach to risk management through workshops, stakeholders are reassured that risks are actively addressed. This confidence can result in increased support and engagement from stakeholders throughout the project's lifecycle.

- Continuous Improvement: The insights gathered from these workshops help us to continuously enhance our risk management practices. The lessons learnt and best practices established throughout the workshops can be applied to future projects, increasing our overall project management maturity.

6. ANTI-BRIBERY AND ANTI-CORRUPTION MANAGEMENT

The Group is committed to combating bribery while also maintaining transparency and ethical business practices. The Group adheres to the major requirements outlined in ISO 37001: Anti-Bribery Management Systems ("ABMS"), as well as the TRUST principles outlined in Section 17A of the MACC Act 2009. The Compliance & Integrity Department oversees the process of integrating integrity's internal control measures into business and operational processes. The established internal control systems include the following:

a. Anti-Bribery and Corruption Policy

The Group has established an Anti-Bribery and Corruption Policy ("ABC Policy") as a commitment to prevent all forms of bribery and corruption in its daily business activities which are in line with the Group's core values to promote good governance. The ABC Policy applies to all directors and employees of AZRB Group and business associates who are performing works or services for or on behalf of the Group.

b. Whistleblowing Policy

The Group has established a whistleblowing policy to provide a clear direction for whistle-blowers to raise concerns with regard to any suspected wrongdoing and bribery or corruption. The whistleblowing policy provides assurance to the whistle-blowers who are employees of the Group that they will be protected against reprisal and/or retaliation from their immediate superiors or head of departments/divisions, in line with the Whistle-blower Protection Act 2010. The whistleblowing channel provided can be used by both the employees of the Group as well as the general public who is also protected by the abovementioned act.

c. Code of Ethics and Conduct

The Group has established a Code of Ethics and Conduct ("the Code") in order to maintain a high standard of integrity and professionalism amongst its employees in all business dealings. The Code aims to ensure that the Group's business interactions are being conducted fairly, impartially and should not in any circumstances, be tainted by malpractices. All employees are required to declare that they have read and understood the content of the Code entirely and agree to abide by it.

d. Gifts and Entertainment Procedure

Gifts and entertainment procedure ("gifts procedure") was established to provide procedures and general guidelines on giving, receiving, returning, recording and monitoring of gifts. The establishment of the gifts procedure demonstrates the Group's commitment towards preventing conflict of interest in the Group's business dealings and decision-making. The procedure applies to all directors and employees of AZRB Group.

e. Donation and Corporate Social Responsibility Procedure

Donation and Corporate Social Responsibility ("CSR") procedures were established to govern the administration of donations and CSR by the Group and its subsidiaries. The procedure outlines the step-by-step process of giving a donation or performing CSR. Supporting documents are needed for all proposals in order to close the door on bribery and corruption.

Fostering Integrity Culture

The Group recognizes that integrity and a strong organizational culture are foundational to our success. To uphold these values, we are committed to continuous training on integrity and culture for all employees.

Statement on Risk Management and Internal Control

This ongoing training serves several vital purposes:

- Reinforcing Core Values: Continuous training ensures that our core values of integrity, honesty, and ethical behaviour are consistently communicated and ingrained in every aspect of our operations. It reinforces the importance of these values and how they translate into daily actions and decisions.

- Promoting Ethical Behaviour: Regular training sessions provide employees with the knowledge and tools they need to navigate ethical dilemmas and make decisions that align with our organizational standards. This helps in creating an environment where ethical behaviour is the norm.

- Strengthening Organizational Culture: By focusing on our culture, we foster a sense of belonging and commitment among employees. Training on cultural values encourages collaboration, respect, and a positive workplace atmosphere, which are essential for overall organizational effectiveness.

- Enhancing Awareness and Compliance: Continuous training keeps employees informed about relevant laws, regulations, and company policies. It ensures that everyone is aware of their responsibilities and the legal and ethical standards they are expected to uphold, reducing the risk of non-compliance.

During the financial year, the following Integrity and Anti-Bribery and Corruption trainings were conducted. Anti-bribery and corruption training sessions have been successfully conducted for the project team to ensure compliance and foster ethical practices.

- The visit by AZRB risk management and human resource personnel to the Malaysian Anti-Corruption Commission ("MACC") in November 2023. The visit is aimed at strengthening the company's anti-corruption and compliance frameworks, enhancing understanding of MACC's regulations and expectations, strengthen relationship and support in implementing anti-bribery and corruptions policy and training.

- Program on anti-bribery and corruption for the east coast Region project team, held at Residence Inn Cherating in January 2024. The training was led by MACC personnel.

- Program on anti-bribery and corruption for west coast region project team held at AZRB Headquarters in March 2024. The training was led by MACC personnel.

7. CONTINUOUS RISK AWARENESS

The Risk Management Department has initiated a Risk Awareness Program with the goal to educate employees of AZRB on important issues linked to risks. Staff members received email transmissions covering a number of important subjects as part of this program.

Email broadcast topics include the Personal Data Protection Act ("PDPA"), anti-bribery and corruption, cyber-crime and commercial crime.

- Risk awareness on "Proper Handling of Used Paper with Sensitive Information", broadcast via email in March 2024.

- Awareness on "Phishing" risk, Emails were sent out in February 2024 to raise awareness.

- Risk awareness on "Business e-mail compromise", The awareness was emailed to staff in February 2024.

- Awareness on the "Gift and Entertainment Procedures in Conjunction with Festive Season" was emailed to staff in January 2024.

- Cyber risk related to "Online scam" was broadcast via email to staff in January 2024.

- Cyber risk awareness "Beware of Bogus Website" was broadcast to staff in January 2024.

- Risk awareness on "Macau scam" and "Keldai Account" was broadcast to staff in December 2023.

Statement on Risk Management and Internal Control

This approach aims to provide AZRB employees with a comprehensive and well-rounded awareness of these significant topics, which is essential for reducing risks and fostering an integrity- and compliance-driven culture inside the AZRB Group.

8. PERFORMANCE MANAGEMENT

Performance appraisals are carried out annually in a Performance Management System ("PMS") to assess the overall performance of each employee. The PMS aims to develop individual employees with the required commitment, skills and competencies for working towards shared meaningful objectives within the organisational framework. In order to nurture talent, training and development plans for employees are established by the Training Department.

9. ASSURANCE TO THE BOARD

The monitoring, review and reporting arrangements in place are to provide reasonable assurance that the internal control system is appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error, deliberate circumvention of control procedures by employees and others, or the occurrence of unforeseeable circumstances.

In line with the Guidelines, the Board has received assurance from the Group Managing Director and the Chief Financial Officer that the risk management and internal control systems of the Group are operating adequately and effectively. The Board is of the view that the risk management and internal control systems in place during the year under review are sound and sufficient to safeguard shareholders' investment, stakeholders' interest and Group's assets.

10. REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Securities' Listing Requirements, this Statement has been reviewed by the external auditors, Grant Thornton, for inclusion in the Annual Report for the financial year ended 30 June 2024 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required to be set out by paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers* to be set out, nor is the SORMIC factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of issuance of the Statement, the Board is pleased to state that the Group's risk management and internal control were rated overall satisfactory, adequate and effective for the Group's purpose and safeguard the shareholders' investment and the interest of customers, employees and other stakeholders. There have been no material breaches, contingencies or uncertainties identified from the reviews.

This Statement was approved by the Board on 21 October 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN PREPARING THE FINANCIAL STATEMENTS

The Directors reaffirm that they are collectively responsible for ensuring that the annual financial statements of the Group and the Company are drawn up in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and that these financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company for the financial year ended 30 June 2024.

To ensure that financial statements are properly drawn up, the Directors have taken the following measures:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are prudent and reasonable; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company as well as to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 28 October 2024.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not raise funds through any corporate proposal during the financial year ended 30 June 2024.

AUDIT FEES*

A breakdown of fees for audit and non-audit services incurred by the Company and on group basis for the financial year ended 30 June 2024 is set out under Note 6 of the Financial Statements of this Annual Report.

MATERIALS CONTRACTS OR LOANS WITH RELATED PARTIES

Save as those disclosed in the following recurrent related parties transaction of a revenue in nature, there were no other material contracts or loans entered into by the Company and its subsidiaries involving the interest of directors and major shareholders, either still subsisting at the end of financial year ended 30 June 2024 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

The value of related party transactions entered into by the Company and its subsidiaries during the financial year which have obtained shareholder's mandate in the previous AGM are qualified as follows:

	Nature of the transactions with related party	Entered by AZRB and its subsidiaries	Period covered from 1 July 2023 to 30 June 2024 (RM'000)
(a)	Purchases with subsidiaries of ZHSB: (i) MIM Waste Services Sdn Bhd (ii) Kemaman Quarry Sdn Bhd	 AZSB AZSB	 49 39
(b)	Sales with subsidiaries of ZHSB: (i) MIM Waste Services Sdn Bhd (ii) Kemaman Quarry Sdn Bhd	 AZSB ICSB	 18 -
(c)	Insurance premium charged by ZHSB	AZSB ICSB AMSB PPSB	74 13 5 3
(d)	Administrative services charged by ZHSB	KTIP ICSB	1 275
(e)	Security services charged by the following companies: ZHSB	 AZSB	 741
(f)	Rental of land charged by Tan Sri Dato' Sri Haji Wan Zaki bin Haji Wan Muda	PPSB	773

Additional Compliance Information

Relationship of the related parties:

(i)	Zaki Holdings (M) Sdn Bhd	- ZHSB, the holding company of Ahmad Zaki Resources Berhad ("AZRB")
(ii)	Ahmad Zaki Sdn Bhd	- AZSB, a wholly-owned subsidiary of AZRB
(iii)	Inter-Century Sdn Bhd	- ICSB, a wholly-owned subsidiary of AZRB
(iv)	Temala Development Sdn Bhd	- TDSB, 70% owned subsidiary of AZRB
(v)	AZSB Machineries Sdn Bhd	- AMSB, a wholly-owned subsidiary of AZSB
(vi)	Peninsular Precast Sdn Bhd	- PPSB, a wholly-owned subsidiary of AZSB
(vii)	Kemaman Technology & Industrial Park Sdn Bhd	- KTIP, 60% owned subsidiary of AZRB
(viii)	MIM Protection Sdn Bhd	- A company in which Dato' Sri Wan Zakariah bin Haji Wan Muda and Dato' Ir W Zulkifli bin Haji W Muda have substantial equity interests and are also Directors

EMPLOYEES' SHARE SCHEME ("ESS")

The ESS was approved by the Company's shareholders at the Extraordinary General Meeting held on 17 March 2014 and ESS was implemented on 18 August 2014 for a period of 5 years which expired on 17 August 2019. The ESS has been extended for a further period of 5 years up to 17 August 2024. The ESS comprises ESS Options and ESS Share Award.

(a) ESS Options and ESS Share Award granted up to the end of the financial year:

	ESS Options		ESS Share Award	
	Total	**Directors**	**Total**	**Directors**
Granted	-	-	-	-
Forfeited	134,934	100,000	-	-
Exercised	-	-	-	-
Outstanding as at 30.06.2024	1,720,431	1,212,500	-	-
Vested during the financial period	-	-	-	-

Additional Compliance Information

(b) ESS Options and ESS Share Award granted to Directors and Senior Management during the financial year and since commencement of ESS:

	During the financial year		Since commencement of ESS	
	ESS Options	ESS Share Award	ESS Options	ESS Share Award
Maximum allocation (%)	-	-	29.64	-
Actual allocation (%)	-	-	29.64	-

(c) Non-Executive Directors were granted ESS Options during the financial year:

Name of Director	Amount of ESS Options granted	Amount of ESS Options exercised
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	-	-
Tan Sri Dr Madinah binti Mohamad	-	-
Dato' Ir. Haji Che Noor Azeman bin Yusoff	-	-
Lee Chee Khoon	-	-
Dato' Hj Wan Mohd Hilmi bin Wan Kamal[(1)]	-	-

Notes:
(1) Appointed on 15 March 2024

* *The following particulars in relation to the audit and non-audit services rendered to the listed issuer or its subsidiaries for the financial year:*
(a) amount of audit fees paid or payable to the listed issuer's auditors, stating the amount incurred by the listed issuer and the amount incurred on a group basis respectively; and
(b) amount of non-audit fees paid or payable to the listed issuer's auditors, or a firm or corporation affiliated to the auditors' firm, stating the amount incurred by the listed issuer and the amount incurred on a group basis respectively. If the non-audit fees incurred were significant, details on the nature of the services rendered. If no non-audit fees were incurred, a statement to that effect.

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DIRECTORS' REPORT

The Directors of **AHMAD ZAKI RESOURCES BERHAD** hereby submit their report and together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, providing management services and as contractor of civil and structural works.

The information on the name, principal activities, country of incorporation and proportion of ownership interest and voting power held by the Company in each subsidiary and associate is disclosed in Notes 17 and 18 to the financial statements respectively.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year, net of tax:		
Continuing operations	106,481	(132,358)
Discontinuing operation	(22,680)	-
	83,801	(132,358)
Attributable to:		
Owners of the Company	95,130	(132,358)
Non-controlling interests	(11,329)	-
	83,801	(132,358)

DIVIDENDS

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

Directors' Report

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

On 16 October 2023, the Company issued 18,800,000 new ordinary shares at an issue price of RM0.21 per ordinary share pursuant to a Private Placement exercise to eligible investors for working capital purpose.

On 23 October 2023, the Company issued 30,000,000 new ordinary shares at an issue price of RM0.21 per ordinary share pursuant to a Private Placement exercise to eligible investors for working capital purpose.

On 31 October 2023, the Company issued 10,843,400 new ordinary shares at an issue price of RM0.181 per ordinary share pursuant to a Private Placement exercise to eligible investors for working capital purpose.

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

There were no debentures issued during the year.

WARRANTS

The warrants are constituted by a Deed Poll dated 18 March 2014. Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 14 May 2014 until 13 May 2024 at an adjusted exercise price of RM0.63 per share for every warrant held in accordance with the provisions in the Deed Poll. Any warrants not exercised at the date of maturity will lapse and cease to be valid for any purpose.

On 8 May 2024, 69 units of warrants were redeemed by the Company.

The movements of the Warrants during the financial year are as follows:

	At 1.7.2023 Unit	Exercised Unit	Expired Unit	At 30.6.2024 Unit
Warrants 2014/2024	116,201,952	(69)	(116,201,883)	-

On 13 May 2024, the remaining 116,201,883 units of warrants which were not exercised prior to the expired date, had lapsed.

There was no issuance of new Warrants during the financial year.

EMPLOYEES' SHARE SCHEME

At an extraordinary general meeting ("EGM") held on 17 March 2014, the Company's shareholders approved the establishment of an Employees' Share Scheme ("ESS") of up to 15% of the issued and paid-up share capital of the Company (excluding treasury shares) for the eligible employees and Directors of the Company and its subsidiaries which are not dormant at any point in time. The ESS was implemented on 18 August 2014 ("Effective Date") for a period of 5 years which expired on 17 August 2019. The ESS has been extended for a further period of 5 years expiring on 17 August 2024.

The salient features of the ESS are, inter alia, as follows:

(i) Eligible employees are those full-time employees whose employment with the Group have been confirmed while eligible Directors are those Directors including non-executive and/or independent Directors of the Group. The maximum allocation of ESS Shares Award and ESS Options ("Awards") to the Directors has been approved by the shareholders of the Company at the EGM.

(ii) The aggregate maximum new number of shares to be issued under the ESS shall not exceed 15% of the issued and paid-up share capital of the Company (excluding treasury shares) at any time throughout the duration of the ESS.

The ESS shall be valid for a period of 5 years and may be further extended for a maximum period of 5 years and such extension shall not in aggregate exceed the duration of 10 years from the Effective Date.

(iii) Following the implementation of the Companies Act 2016 in Malaysia, the exercise price of each share comprised in the ESS Options shall be at a discount (as determined by the ESS Committee) of not more than 10% to the 5 market days' volume weighted average market price of the underlying shares preceding the award date of the ESS Options or the par value of the Company's shares, whichever is higher.

(iv) The allocation of ESS Options to any individual eligible employee or Director who either singly or collectively through persons connected with them, holds twenty percent (20%) or more of the issued and paid-up share capital of the Company (excluding treasury shares), shall not exceed ten percent (10%) of the new shares of the Company to be issued pursuant to the ESS.

(v) The actual number of shares which may be awarded under the ESS Shares Award shall be at the discretion of the ESS Committee. The ESS Committee may stipulate any terms and conditions it deems appropriate in an ESS Shares Award and the terms and conditions may differ.

(vi) If the ESS Shares Award is not accepted in the manner as set out in the By-law, the ESS Shares Award shall automatically lapse upon the expiry and be null and void.

Directors' Report

EMPLOYEES' SHARE SCHEME (CONT'D)

The salient features of the ESS are, inter alia, as follows (cont'd):

(vii) The ESS Committee shall, as and when it deems practicable and necessary, reviews and determines at its own discretion the vesting conditions in respect of an ESS Shares Award which includes, amongst others, the following:

(a) the grantee must remain an employee as at the vesting date;

(b) the performance conditions are fully and duly satisfied; and/or

(c) any other conditions which are determined by the ESS Committee.

(viii) The new shares to be allotted and issued under the ESS shall rank pari passu in all respects with the then existing shares of the Company except that the new shares shall not be entitled to any dividends, rights, allotments and/or distributions that may be declared, made or paid to the shareholders, the entitlement date of which is prior to the date of the allotment of the new shares.

The movements in ESS Options and ESS Shares Award are disclosed in Note 37 to the financial statements.

TREASURY SHARES

There were no repurchase of the Company's shares during the financial year under review.

As at 30 June 2024, the Company held a total of 1,662,862 ordinary shares as treasury shares out of its issued and paid-up share capital of 656,078,285 ordinary shares. Such treasury shares are held at carrying amount of RM1,025,787 and further relevant details are disclosed in Note 28 to the financial statements.

OTHER STATUTORY INFORMATION

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

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

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

OTHER STATUTORY INFORMATION (CONT'D)

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

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

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

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

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

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

(i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

In the opinion of the Directors:

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

(ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Directors' Report

DIRECTORS

The name of Directors of the Company in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:

Tan Sri Dr Madinah binti Mohamad
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
Dato' Sri Wan Zakariah bin Haji Wan Muda
Dato' Ir. W Zulkifli bin Haji W Muda
Dato' Roslan bin Tan Sri Jaffar
Dato' Ir. Haji Che Noor Azeman bin Yusoff
Lee Chee Khoon
Dato' Haji Wan Mohd Hilmi bin Wan Kamal (Appointed on 15 March 2024)

The names of the Directors of the Company's subsidiaries in office during the financial year and during the period from the end of the financial year to the date of this report are (not including those Directors listed above) are:

Al-Sultan Abdullah Ibni Sultan Haji Ahmad Shah
Dato' Seri Tengku Baderul Zaman Ibni Sultan Mahmud
Dato' Tengku Rozanna Petri binti Tengku Mohamed Nasrun
Tan Sri Dato' Sri DiRaja Haji Adnan bin Haji Yaakob
Dato' Sri Adnan bin Wan Mamat
Dato' Haji Bahari bin Johari
Dato' Haji Zakaria bin Awang
Wan Azwan Shah bin Tan Sri Dato' Sri Haji Wan Zaki
Wan Ramzi bin Haji Wan Muda
Mohammad Fauzi bin Haji Ahmad
Hamkamarul Bahrin bin Mohamad
Mohd Zulkifli bin Yusof
Wan Razali bin W Zulkifli
Dato' Haji Rozi bin Mamat
Dato' Haji Nik Dir bin Nik Wan Ku
Dato' Haji Din bin Adam
Haida Shenny binti Hazri
Hayati binti Tamzir
Wan Amir Hisyam bin Wan Zakariah
Mohd Hamdan bin Mahayet
Shahrulanuar bin Ishak
Mohd Nasir bin Mohd Noor
Mohd Jauhari bin Mohamad
Tengku Puteri Raja Tengku Puteri Iman Afzan binti Al-Sultan Abdullah
Dr. Tengku Muhammad Fa-iz Petra Ibni Al- Marhum Sultan Ismail Petra
Dato' Arjunaidi bin Mohamed (Appointed on 1 February 2024)
Mohd Rizaini bin Ghazali (Appointed on 24 July 2024)
Dr Hjh Wan Maimun binti Wan Abdullah (Resigned on 15 July 2023)
Dato' Ir. Dr Ashaari bin Mohamad (Resigned on 31 December 2023)
Tan Sri Dato Sri Haji Wan Zaki bin Haji Wan Muda (Resigned on 31 December 2023)
Azmi bin Mat Ali (Resigned on 24 July 2024)

DIRECTORS' INTERESTS

The direct and deemed interests in the ordinary shares, warrants and options over ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as required under Section 59 of the Companies Act 2016 in Malaysia are as follows:

	Number of Ordinary Shares			
	As at 1.7.2023	**Bought**	**Sold**	**As at 30.6.2024**
Direct interest in the Company				
Dato' Sri Wan Zakariah bin Haji Wan Muda	5,266,220	-	-	5,266,220
Dato' Ir. W Zulkifli bin Haji W Muda	10,003,789	-	-	10,003,789
Dato' Roslan bin Tan Sri Jaffar	1,061,262	-	-	1,061,262
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	2,000,000	-	-	2,000,000
Indirect interest in the Company				
Dato' Sri Wan Zakariah bin Haji Wan Muda	27,000	-	-	27,000
Dato' Ir. W Zulkifli bin Haji W Muda	863,125	43,000	-	906,125
Dato' Roslan bin Tan Sri Jaffar*	492,187	-	-	492,187

	Warrants 2014/2024			
	As at 1.7.2023	**Bought**	**Lapsed**	**As at 30.6.2024**
Direct interest in the Company				
Dato' Sri Wan Zakariah bin Haji Wan Muda	429,368	-	(429,368)	-
Dato' Ir. W Zulkifli bin Haji W Muda	225,153	-	(225,153)	-
Dato' Roslan bin Tan Sri Jaffar	139,218	-	(139,218)	-
Indirect interest				
Dato' Roslan bin Tan Sri Jaffar*	105,468	-	(105,468)	-

Directors' Report

DIRECTORS' INTERESTS (CONT'D)

The direct and deemed interests in the ordinary shares, warrants and options over ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as required under Section 59 of the Companies Act 2016 in Malaysia are as follows (cont'd):

	Number of Options over Ordinary Shares			
	As at 1.7.2023	**Bought**	**Sold**	**As at 30.6.2024**
Direct interest in the Company				
Dato' Sri Wan Zakariah bin Haji Wan Muda	180,000	-	-	180,000
Dato' Ir. W Zulkifli bin Haji W Muda	180,000	-	-	180,000
Dato' Roslan bin Tan Sri Jaffar	180,000	-	-	180,000
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	230,000	-	-	230,000

	Number of Ordinary Shares			
	As at 1.7.2023	**Bought**	**Sold**	**As at 30.6.2024**
Holding company, Zaki Holdings (M) Sdn Bhd				
Dato' Sri Wan Zakariah bin Haji Wan Muda	1,250,000	-	-	1,250,000
Dato' Ir. W Zulkifli bin Haji W Muda	1,250,000	-	-	1,250,000
Indirect interest				
Dato' Roslan bin Tan Sri Jaffar*	-	3,000,000	-	3,000,000

* Deemed interest in securities held through persons connected with the Director.

By virtue of the Directors' interests in the shares of the holding company, the Director is also deemed to have interests in the shares of the Company and of its related corporations during the financial year to the extent that the Company has an interest.

None of the other Directors holding office as at 30 June 2024 had any shares or had any beneficial interest in the shares of the Company or its related corporations during or as at beginning and end of the financial year.

Directors' Report

DIRECTORS' REMUNERATION AND BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The details of the Directors' remuneration for the financial year ended 30 June 2024 are set out below:

	Incurred by the Company RM'000	Incurred by the Subsidiaries RM'000	Total RM'000
Directors' fees	537	1,108	1,645
Salaries and other emoluments	110	4,715	4,825
Defined contribution plans	-	550	550
Benefits-in-kind	31	228	259
	678	6,601	7,279

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for the ESS Options and ESS Shares Award granted to certain Directors pursuant to the Company's ESS as disclosed above.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR AUDITORS

The Company maintains Directors' and Officers' liability insurance for the purpose of Section 289 of the Companies Act 2016 in Malaysia, throughout the financial year which provides appropriate insurance cover for the Directors and Officers of the Company on a Group basis. The amount of insurance premium payable during the financial year amounted to RM73,990 and the amount of indemnity coverage for Directors and Officers of the Company during the financial year amounted RM20,000,000.

There was no indemnity given to or insurance effected for the Auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

HOLDING COMPANY

The Directors regard Zaki Holdings (M) Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the holding company of the Company.

Directors' Report

AUDITORS

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

The total amount of audit and other fees paid to or receivables by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and its subsidiaries are amounted to RM230,000 and RM442,000 respectively. Further details are disclosed in Note 6 to the financial statements.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors dated on 28 October 2024.

LEE CHEE KHOON

DATO' SRI WAN ZAKARIAH BIN HAJI WAN MUDA

Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AHMAD ZAKI RESOURCES BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **AHMAD ZAKI RESOURCES BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 30 June 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 122 to 244.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Independent Auditors' Report
To The Members of Ahmad Zaki Resources Berhad

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, we have determined that there is no key audit matter in respect of audit of the separate financial statements of the Company to communicate in our auditors' report.

Key audit matters	*Our audit performed and responses thereon*
(1) Revenue recognition on construction contracts For the financial year ended 30 June 2024, the Group recognised revenue on construction contracts of RM322,492,000 which contributed to 65% of the Group's total revenue. Revenue from construction contracts is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The revenue recognition on construction contracts is considered to be a key audit matter as significant judgement is exercised in determining the estimated total contract revenue and budgeted costs, the extent of the construction costs incurred, variation of scope of work, percentage of completion, as well as the profitability of the construction contracts in estimating foreseeable losses.	Our audit procedures included, among others, the following: • Obtained understanding of the revenue recognition process, including the accuracy and timing of revenue recognition towards satisfaction of performance obligation, and tested the associated relevant controls surrounding revenue recognition. • Reviewed the agreements (including variation orders) for construction contracts. Tested the reasonableness of the management's computation for the progress of construction projects towards the complete satisfaction of performance obligation taking into account the construction costs recognised during the financial period and the budgeted cost by testing a sample of costs incurred to date to the relevant supporting documentation. • Reviewed the management prepared budgets and discussed with the project team to ascertain that project budgets are reasonable.

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Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Key audit matters	*Our audit performed and responses thereon*
(1) Revenue recognition on construction contracts (cont'd) Refer to "the use of estimates judgements" in Note 2.7(b) to the financial statements and construction contract revenue and construction contract cost recognised in profit or loss in Note 3 to the financial statements.	Our audit procedures included, among others, the following (cont'd): • Evaluated the reasonableness of the estimates made and assessed whether these estimates showed any evidence of management bias, based on historical accuracy of management's estimates in prior years. • Performed site-visits for individually significant on-going projects and discussed with the site team to arrive at an overall assessment as to whether percentage of progress towards complete satisfaction of performance obligation determined on a cost-to-cost basis was reasonable.
(2) Impairment assessment of goodwill and intangible assets As at 30 June 2024, the Group has goodwill and intangible assets of RM35,621,000 and RM11,887,000 respectively, relating to the Malaysian supply base operation which arose as a result of acquisition of Matrix Reservoir Sdn. Bhd. and its subsidiaries on 30 December 2016.	Our audit procedures included, among others, the following: • Obtained understanding of management processes and controls for testing impairment of goodwill and intangible assets related to Malaysian supply base operation. • Reviewed the impairment assessment of goodwill and intangible assets prepared by management and challenged the reasonableness of the key assumptions used in cash flows projections. • Involved our internal valuation specialist in reviewing the appropriateness of the valuation methodology and discount rate adopted by management in the determination of recoverable amount.

Independent Auditors' Report
To The Members of Ahmad Zaki Resources Berhad

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Key audit matters	*Our audit performed and responses thereon*
(2) Impairment assessment of goodwill and intangible assets (cont'd) Determining whether the goodwill and intangible assets are impaired which requires management estimation of the recoverable amount, which is determined based on an estimation of the present value of future cash flows expected to be generated. The key assumptions used in the estimation of the recoverable amount involves a significant degree of management judgement. Refer to key assumptions used as disclosed in Note 14 to the financial statements.	Our audit procedures included, among others, the following (cont'd): • Evaluated the work of our internal valuation specialist including the relevance and reasonableness of that specialist's findings or conclusions. • Assessed for impairment by comparing the recoverable amount determined from an estimation of the present value of future cash flows expected to be generated from the Malaysian supply base operation of the Group to its carrying amount. • Performed sensitivity analysis on management's key assumptions to assess if any reasonably possible downside changes in these assumptions that can lead to impairment loss. • Assessed the adequacy and appropriateness of the disclosures made in the financial statements.
(3) Going concern and liquidity risk assessment The financial statements of the Group and of the Company have been prepared on a going concern basis. As at 30 June 2024, the Group's and the Company's have net current liabilities of RM475,853,000 and RM518,141,000 respectively as a result of losses incurred in the current and previous financial years.	Our audit procedures included, among others, the following: • Evaluated management's future plan in improving the operating cash flow of the Group in the next 12 months, which includes evaluating the cash flow forecast for the next 12 months.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Key audit matters

(3) Going concern and liquidity risk assessment (cont'd)

These events and conditions may cast significant doubt on the Group's and the Company's ability to continue as a going concern and to meet their obligation as and when they fall due.

This is considered to be a key audit matter because the evaluation of events and conditions, including the actions taken by the Directors in addressing them involve judgement. The judgement is in respect of the key assumptions used in their assessment and management's plan for future action and on the feasibility of those plans.

Refer to "Going concern" in Note 2.4 to the financial statements and "Liquidity risk" in Note 35(b) to the financial statements. Note 2.4 discloses the Directors' assessment on the ability of the Group and of the Company to continue as a going concern while Note 35(b) disclosures the Director's assessment on the ability of the Group and of the Company to meet their obligation as and when fall due.

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Our audit performed and responses thereon

Our audit procedures included, among others, the following (cont'd):

- Performed retrospective evaluation by comparing cash flow forecast for prior periods to actual outcomes to assess management's ability to make reasonably reliable forecasts.
- Challenged management on the key assumptions underpinning the cash flow forecast to evaluate whether they are reasonably made in the circumstance. In challenging the assumptions, we had taken into account actual results, external data and market conditions.
- Assessed the reasonableness of management's assessment that the Group has the ability to meet its debt repayment obligations, taking into consideration sources of funding currently available to the Group to meet its obligations as and when they fall due.
- Assessed the Group's compliance with its debt covenants of bank borrowings.
- Assessed the adequacy and appropriateness of disclosures made in the Group's and the Company's financial statements in respect of events and conditions identified that may cast a significant doubt on the Group's and the Company's ability to continue as a going concern and to meet their obligation as and when fall due as disclosed in Note 2.4 and Note 35(b) to the financial statements respectively.

Independent Auditors' Report
To The Members of Ahmad Zaki Resources Berhad

Report on the Audit of the Financial Statements (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Independent Auditors' Report
To The Members of Ahmad Zaki Resources Berhad

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Independent Auditors' Report
To The Members of Ahmad Zaki Resources Berhad

Report on the Audit of the Financial Statements (cont'd)

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determined those matters that were of most significant in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

Independent Auditors' Report
To The Members of Ahmad Zaki Resources Berhad

Report on the Audit of the Financial Statements (cont'd)

Other Matters

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

FOO LEE MENG
(NO: 03069/07/2025(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
28 October 2024

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	3	**495,470**	371,557	**66,032**	50,013
Cost of sales		**(440,188)**	(271,797)	**(17,899)**	(6,992)
Gross profit		**55,282**	99,760	**48,133**	43,021
Other income		**452,152**	7,955	**13,214**	8,281
Administrative expenses		**(59,151)**	(63,339)	**(10,800)**	(16,709)
Impairment of financial assets		**(237,546)**	(13,008)	**(117,207)**	(126,231)
Impairment of non-financial assets		**(6,899)**	(593)	**(1,916)**	(351)
Other expenses		**(56,432)**	(4,246)	**(39,157)**	(3,886)
Profit/(Loss) from operations		**147,406**	26,529	**(107,733)**	(95,875)
Finance income	4	**51,610**	53,763	**37**	65
Finance costs	5	**(65,128)**	(58,005)	**(26,481)**	(19,638)
Share of loss of associates, net of tax		**(1,471)**	(162)	**-**	-
Profit/(Loss) before tax	6	**132,417**	22,125	**(134,177)**	(115,448)
Tax (expense)/income	8	**(25,936)**	(29,332)	**1,819**	-
Profit/(Loss) from continued operations, net of tax		**106,481**	(7,207)	**(132,358)**	(115,448)
Loss from discontinued operation, net of tax	9	**(22,680)**	(96,680)	**-**	-
Profit/(Loss) for the financial year		**83,801**	(103,887)	**(132,358)**	(115,448)

Statements of Profit or Loss and Other Comprehensive Income
For The Financial Year Ended 30 June 2024 (Cont'd)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other comprehensive loss, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		**(417)**	(19,028)	**(176)**	(136)
Total other comprehensive loss for the financial year		**(417)**	(19,028)	**(176)**	(136)
Total comprehensive income/(loss) for the financial year		**83,384**	(122,915)	**(132,534)**	(115,584)
Profit/(Loss) attributable to:					
Owners of the Company					
- Continuing operations		**116,676**	2,615	**(132,358)**	(115,448)
- Discontinuing operations		**(21,546)**	(91,846)	**-**	-
Non-controlling interests					
- Continuing operations		**(10,195)**	(9,822)	**-**	-
- Discontinuing operations		**(1,134)**	(4,834)	**-**	-
Profit/(Loss) for the financial year		**83,801**	(103,887)	**(132,358)**	(115,448)
Total comprehensive income/(loss) attributable to:					
Owners of the Company					
- Continuing operations		**115,936**	4,502	**(132,534)**	(115,584)
- Discontinuing operations		**(21,223)**	(111,714)		
Non-controlling interests					
- Continuing operations		**(10,212)**	(9,823)	**-**	-
- Discontinuing operations		**(1,117)**	(5,880)	**-**	-
Total comprehensive income/(loss) for the financial year		**83,384**	(122,915)	**(132,534)**	(115,584)

Statements of Profit or Loss and Other Comprehensive Income
For The Financial Year Ended 30 June 2024 (Cont'd)

	Note	Group 2024 RM'000	Group 2023 RM'000
Profit/(Loss) per ordinary share (sen)			
Basis and diluted			
- Continuing operations	10	**17.32**	0.44
- Discontinuing operations	10	**(3.20)**	(15.35)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**339,240**	716,808	**1,820**	1,762
Right-of-use assets	12	**14,076**	33,066	**61,374**	62,972
Investment properties	13	**9,535**	7,407	**-**	-
Intangible assets	14	**50,180**	51,678	**-**	-
Concession service assets	15	**2,560,042**	2,429,713	**-**	-
Inventories	16	**54,644**	54,376	**-**	-
Investments in subsidiaries	17	**-**	-	**833,729**	869,771
Investments in associates	18	**1,169**	2,640	**2,640**	2,640
Interests in joint ventures	19	**-**	-	**-**	-
Investments in financial assets	20	**68**	68	**68**	68
Deferred tax assets	21	**3,456**	14,909	**2,061**	235
Trade and other receivables	22	**517,141**	560,943	**-**	-
Total non-current assets		**3,549,551**	3,871,608	**901,692**	937,448
Current assets					
Inventories	16	**11,160**	36,533	**-**	-
Trade and other receivables	22	**206,894**	238,716	**410,746**	453,636
Construction contract assets	23	**136,481**	166,638	**4,880**	1,938
Biological assets	24	**-**	139	**-**	-
Short term investments	25	**15,390**	71,488	**-**	-
Tax recoverable		**2,317**	2,557	**357**	357
Cash and deposits	26	**435,144**	246,675	**3,373**	3,197
Total current assets		**807,386**	762,746	**419,356**	459,128
TOTAL ASSETS		**4,356,937**	4,634,354	**1,321,048**	1,396,576

Statements of Financial Position
As At 30 June 2024 (Cont'd)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	27	**237,635**	197,536	**237,635**	197,536
Treasury shares	28	**(1,026)**	(1,026)	**(1,026)**	(1,026)
Reserves	29	**(37,077)**	(129,264)	**(236,754)**	(76,331)
Equity attributable to owners of the Company		**199,532**	67,246	**(145)**	120,179
Non-controlling interests	17	**(8,462)**	(18,989)	**-**	-
Total equity		**191,070**	48,257	**(145)**	120,179
Non-current liabilities					
Loans and borrowings	30	**2,423,737**	2,602,968	**311,828**	236,790
Lease liabilities	31	**9,684**	13,656	**66,120**	66,809
Employee benefits	32	**-**	7,476	**-**	-
Deferred tax liabilities	21	**141,780**	151,724	**-**	-
Trade and other payables	33	**307,427**	214,107	**5,748**	-
Total non-current liabilities		**2,882,628**	2,989,931	**383,696**	303,599
Current liabilities					
Trade and other payables	33	**889,969**	1,116,778	**917,807**	946,126
Construction contract liabilities	23	**1,365**	750	**-**	-
Loans and borrowings	30	**350,193**	449,148	**19,000**	26,012
Lease liabilities	31	**4,126**	3,667	**690**	660
Tax payable		**37,586**	25,823	**-**	-
Total current liabilities		**1,283,239**	1,596,166	**937,497**	972,798
Total liabilities		**4,165,867**	4,586,097	**1,321,193**	1,276,397
TOTAL EQUITY AND LIABILITIES		**4,356,937**	4,634,354	**1,321,048**	1,396,576

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	← Non-distributable					→	Distributable			
	Share capital RM'000	Other reserve RM'000	Warrant reserve RM'000	Foreign exchange translation reserve RM'000	Employees' Share Scheme RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group										
As at 1 July 2022	197,536	650	27,889	11,745	1,506	(1,026)	(63,842)	174,458	(3,286)	171,172
Loss for the financial year	-	-	-	-	-	-	(89,231)	(89,231)	(14,656)	(103,887)
Foreign currency translation differences for foreign operations	-	36	-	(18,017)	-	-	-	(17,981)	(1,047)	(19,028)
Total other comprehensive loss for the financial year	-	36	-	(18,017)	-	-	-	(17,981)	(1,047)	(19,028)
Total comprehensive loss for the financial year	-	36	-	(18,017)	-	-	(89,231)	(107,212)	(15,703)	(122,915)
As at 30 June 2023	197,536	686	27,889	(6,272)	1,506	(1,026)	(153,073)	67,246	(18,989)	48,257
Transactions with owners of the Company										
Ordinary shares issued pursuant o private placement	12,210	-	-	-	-	-	-	12,210	-	12,210
Issuance of ordinary shares pursuant to exercise of warrants	-*	-	-*	-	-	-	-	-	-	-
Derecognition of warrants reserve on expiry of warrants	27,889	-	(27,889)	-	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	25,363	-	-	-	25,363	21,856	47,219
Total transactions with owners of the Company	40,099		(27,889)	25,363				37,573	21,856	59,429

Statements of Changes In Equity
For The Financial Year Ended 30 June 2024 (Cont'd)

	← Non-distributable					→	Distributable			
	Share capital RM'000	**Other reserve RM'000**	**Warrant reserve RM'000**	**Foreign exchange translation reserve RM'000**	**Employees' Share Scheme RM'000**	**Treasury shares RM'000**	**Accumulated losses RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Group (cont'd)										
Profit for the financial year	-	-	-	-	-	-	95,130	95,130	(11,329)	83,801
Foreign currency translation differences for foreign operations	-	-	-	(417)	-	-	-	(417)	-	(417)
Total other comprehensive income for the financial year	-	-	-	(417)	-	-	-	(417)	-	(417)
Total comprehensive loss for the financial year	-	-	-	(417)	-	-	95,130	94,713	(11,329)	83,384
As at 30 June 2024	**237,635**	**686**	**-**	**18,674**	**1,506**	**(1,026)**	**(57,943)**	**199,532**	**(8,462)**	**191,070**

Statements of Changes In Equity
For The Financial Year Ended 30 June 2024 (Cont'd)

	Non-distributable					Distributable	
	Share capital RM'000	Warrant reserve RM'000	Foreign exchange translation reserve RM'000	Employees' Share Scheme RM'000	Treasury shares RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000
Company							
As at 1 July 2022	197,536	27,889	3,318	1,506	(1,026)	6,540	235,763
Loss for the financial year	-	-	-	-	-	(115,448)	(115,448)
Foreign currency translation differences for foreign operations	-	-	(136)	-	-	-	(136)
Total other comprehensive loss for the financial year	-	-	(136)	-	-	-	(136)
Total comprehensive loss for the financial year	-	-	(136)	-	-	(115,448)	(115,584)
As at 30 June 2023	197,536	27,889	3,182	1,506	(1,026)	(108,908)	120,179
Transactions with owners of the Company							
Ordinary shares issued pursuant to private placement	12,210	-	-	-	-	-	12,210
Issuance of ordinary shares pursuant to exercise of warrants	-*	-	-	-	-	-	-
Derecognition of warrants reserve on expiry of warrants	27,889	(27,889)	-	-	-	-	-
Total transactions with owners of the Company	40,099	(27,889)	-	-	-	-	12,210

Statements of Changes In Equity
For The Financial Year Ended 30 June 2024 (Cont'd)

	← Non-distributable				→ Distributable		
	Share capital RM'000	**Warrant reserve RM'000**	**Foreign exchange translation reserve RM'000**	**Employees' Share Scheme RM'000**	**Treasury shares RM'000**	**Retained earnings/ (Accumulated losses) RM'000**	**Total RM'000**
Company (cont'd)							
Loss for the financial year	-	-	-	-	-	(132,358)	(132,358)
Foreign currency translation differences for foreign operations	-	-	(176)	-	-	-	(176)
Total other comprehensive loss for the financial year	-	-	(176)	-	-	-	(176)
Total comprehensive loss for the financial year	-	-	((176)	-	-	(132,358)	(132,534)
As at 30 June 2024	**237,635**	**-**	**3,006**	**1,506**	**(1,026)**	**(241,266)**	**(145)**

*Less than 100

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
OPERATING ACTIVITIES					
Profit/(Loss) before tax					
- Continuing operations		**132,417**	22,125	**(134,177)**	(115,448)
- Discontinuing operations		**(22,680)**	(93,013)	**-**	-
Total profit/(loss) before tax for the financial year		**109,737**	(70,888)	**(134,177)**	(115,448)
Adjustments for:					
Accretion of fair value on non-current receivables		**(48,407)**	(51,000)	**-**	-
Amortisation of transaction costs		**523**	205	**-**	-
Amortisation of intangible assets		**1,361**	1,756	**-**	-
Bad debts written off		**2,599**	62	**453**	37
Depreciation of property, plant and equipment		**21,973**	33,127	**21**	60
Depreciation of right-of-use assets		**3,880**	8,536	**1,598**	1,598
Depreciation of investment properties		**191**	141	**-**	-
Dividend received from subsidiary companies		**-**	-	**(31,872)**	(27,730)
Employee retirement benefits provision		**-**	448	**-**	-
Fair value loss on financial assets		**-**	48	**-**	-
Fair value loss arising from biological assets		**-**	521	**-**	-
Gain on disposal of property, plant and equipment - net		**(1,645)**	(1,833)	**-**	(112)
Gain on lease modification of right-of-use assets		**-**	(2,390)	**-**	-
Gain on redemption of redeemable convertible preference shares ("RCPS")		**-**	-	**(11,936)**	(6,862)
(Gain)/Loss on disposal of a subsidiary	17	**(423,515)**	-	**19,042**	-
Grant income recognised		**(177)**	(177)	**-**	-
Impairment of investment in subsidiary companies		**-**	-	**-**	351

Statements of Cash Flows
For The Financial Year Ended 30 June 2024 (Cont'd)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
OPERATING ACTIVITIES (CONT'D)					
Adjustments for (cont'd):					
Impairment loss on receivables		**237,546**	13,008	**117,207**	126,231
Impairment loss on intangible assets		**-**	593	**-**	-
Impairment loss on construction contract assets		**4,626**	-	**1,916**	-
Impairment loss on property, plant and equipment		**2,273**	-	**-**	-
Inventories written off		**17**	5,191	**-**	-
Inventories written down		**-**	124	**-**	-
Interest income		**(3,203)**	(2,763)	**(37)**	(65)
Interest expense		**83,164**	89,764	**26,481**	19,638
Land held for development written off		**-**	5,122	**-**	-
Property, plant and equipment written off		**4**	-	**-**	-
(Gain)/Loss on foreign exchange - unrealised		**(274)**	-	**(274)**	2,829
Reversal of development costs		**-**	15,174	**-**	-
Share of loss of associates		**1,471**	162	**-**	-
Operating (loss)/profit before working capital changes		**(7,856)**	44,931	**(11,576)**	527
Changes in working capital:					
Inventories		**3,029**	(6,642)	**-**	-
Construction contract assets		**25,531**	(96,717)	**(4,859)**	954
Construction contract liabilities		**615**	-	**-**	-
Property development costs		**5,561**	2,054	**-**	-
Trade and other receivables		**(132,763)**	107,776	**(116,465)**	305
Trade and other payables		**88,517**	200,930	**20,744**	(8,116)
Cash (used in)/generated from operations		**(17,366)**	252,332	**(112,156)**	(6,330)

Statements of Cash Flows
For The Financial Year Ended 30 June 2024 (Cont'd)

	Note	Group		Company	
		2024	**2023**	**2024**	**2023**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Cash generated from/(used in) operations (cont'd)		**(17,366)**	252,332	**(112,156)**	(6,330)
Income tax (paid)/refund - net		**(10,932)**	(3,464)	**(7)**	(34)
Net cash (used in)/from operating activities		**(28,298)**	248,868	**(112,163)**	(6,364)
INVESTING ACTIVITIES					
Addition of land held for development		**(1,091)**	(532)	**-**	-
Addition of property development costs		**(4,688)**	(3,918)	**-**	-
Addition of concession service assets		**(130,329)**	(89,000)	**-**	-
Acquisition of a subsidiary		**-**	-	**(3,746)**	-
Addition of investment in a subsidiary		**-**	-	**(750)**	-
Advances to associate		**(1)**	(20)	**-**	-
Dividend received from subsidiary companies		**-**	-	**31,872**	27,730
Interest received		**3,203**	2,763	**37**	65
Proceeds from redemption of RCPS		**-**	-	**33,432**	19,221
Proceeds from disposal of property, plant and equipment		**1,645**	442	**-**	112
Proceed from disposal of a subsidiary, net cash used in disposal	17	**(87)**	-	**1**	-
Proceeds from terminated projects		**-**	4,640	**-**	-
Purchase of property, plant and equipment		**(2,580)**	(13,780)	**(79)**	-
Purchase of right-of-use assets	(ii)	**(900)**	-	**-**	-
Advances to/(Repayment from) affiliate companies		**360**	1,869	**(41)**	(14)
Advances to/(Repayment from) subsidiary companies		**-**	-	**41,733**	(68,293)
Repayment from holding company		**(77)**	(404)	**-**	574
Net cash (used in)/from investing activities		**(134,545)**	(97,940)	**102,459**	(20,605)

Statements of Cash Flows
For The Financial Year Ended 30 June 2024 (Cont'd)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
FINANCING ACTIVITIES					
(Repayment to)/Advances from associate		**(47)**	53	**-**	-
Advances from/(Repayment to) affiliate companies		**3,391**	(5,067)	**-**	-
Advance from Directors		**104**	250	**-**	-
Increase in pledged cash and deposits		**(15,202)**	(102,141)	**-**	-
Interest paid		**(82,243)**	(127,140)	**-**	(4,120)
Issuance of shares		**12,210**	-	**12,210**	-
Repayment to subsidiaries		**-**	-	**(66,768)**	(60,116)
(Repayment to)/Advances from holding company		**(1,341)**	(484)	**(7)**	194
Repayments of lease liabilities		**(4,539)**	(5,194)	**(3,581)**	(3,582)
Repayments of finance lease liabilities		**(2,094)**	(5,460)	**(12)**	(36)
Net drawdowns of loans and borrowings		**338,941**	10,133	**68,038**	93,215
Net cash from/(used in) financing activities		**249,180**	(235,050)	**9,880**	25,555
CASH AND CASH EQUIVALENTS					
Net changes		**86,337**	(84,122)	**176**	(1,414)
Effect of movement foreign exchange rates		**-**	(76)	**-**	-
Brought forward		**64,937**	149,135	**3,197**	4,611
Carried forward	(i)	**151,274**	64,937	**3,373**	3,197

Statements of Cash Flows
For The Financial Year Ended 30 June 2024 (Cont'd)

(i) Cash and cash equivalents

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits placed with licensed banks	**161,079**	72,335	**1,637**	1,600
Housing development account	**34**	556	**-**	-
Cash and bank balances	**274,031**	173,784	**1,736**	1,597
Short term investments	**15,390**	71,488	**-**	-
	450,534	318,163	**3,373**	3,197
Less:				
Bank overdrafts	**(79,578)**	(48,746)	**-**	-
Deposits placed with licensed banks	**(52,576)**	(59,323)	**-**	-
Cash and bank balances	**(167,106)**	(145,157)	**-**	-
	151,274	64,937	**3,373**	3,197

(ii) Acquisition of right-of-use assets

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total addition	**1,136**	13,906	**-**	-
Less: Lease liabilities arrangements	**(236)**	(13,906)	**-**	-
	900	-	**-**	-

Statements of Cash Flows
For The Financial Year Ended 30 June 2024 (Cont'd)

Reconciliation of movement of liabilities to cash flows arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

	As at 1 July RM'000	Net drawdown/ (Repayment) RM'000	Others RM'000	Effect of movements in foreign exchange RM'000	Non-cash item (Note 5) RM'000	As at 30 June RM'000
Group						
2024						
Lease liabilities	**17,323**	**(4,303)**	**-**	**-**	**790**	**13,810**
Finance lease liabilities	**4,407**	**(2,094)**	**-**	**-**	**131**	**2,444**
Loan and borrowings*	**2,998,963**	**260,839**	**(645,996)**	**-**	**78,102**	**2,691,908**
Amount due to a Director	**1,754**	**104**	**-**	**-**	**-**	**1,858**
Amount due to holding company	**9,539**	**(1,341)**	**-**	**-**	**-**	**8,198**
Amount due to affiliates	**1,398**	**3,391**	**-**	**-**	**-**	**4,789**
Amount due to associate	**53**	**(47)**	**-**	**-**	**-**	**6**
	3,033,437	**256,549**	**(645,996)**	**-**	**79,023**	**2,723,013**
Group						
2023						
Lease liabilities	9,767	8,712	(2,031)	-	875	17,323
Finance lease liabilities	9,685	(5,460)	-	-	182	4,407
Loan and borrowings*	2,967,339	(75,506)	205	21,285	85,640	2,998,963
Amount due to a Director	1,504	250	-	-	-	1,754
Amount due to holding company	10,023	(484)	-	-	-	9,539
Amount due to affiliates	6,465	(5,067)	-	-	-	1,398
Amount due to associate	-	53	-	-	-	53
	3,004,783	(77,502)	(1,826)	21,285	86,697	3,033,437

* Excluded bank overdrafts and finance lease liabilities

Statements of Cash Flows
For The Financial Year Ended 30 June 2024 (Cont'd)

Reconciliation of movement of liabilities to cash flows arising from financing activities (cont'd)

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities (cont'd).

	As at 1 July RM'000	Net drawdown/ (Repayment) RM'000	Others RM'000	Non-cash item (Note 5) RM'000	As at 30 June RM'000
Company					
2024					
Finance lease liabilities	**12**	**(12)**	**-**	**-**	**-**
Term loans	**262,790**	**68,038**	**(23,559)**	**23,559**	**330,828**
Lease liabilities	**67,469**	**(3,581)**	**-**	**2,922**	**66,810**
Amount due to holding company	**194**	**(7)**	**-**	**-**	**187**
Amount due to subsidiaries	**915,279**	**(66,768)**	**635**	**-**	**849,146**
	1,245,744	**(2,330)**	**(22,924)**	**26,481**	**1,246,971**
2023					
Finance lease liabilities	50	(39)	-	1	12
Term loans	169,575	76,528	-	16,687	262,790
Lease liabilities	73,387	(3,582)	(5,286)	2,950	67,469
Amount due to holding company	-	194	-	-	194
Amount due to subsidiaries	972,879	(60,116)	2,516	-	915,279
	1,215,891	12,985	(2,770)	19,638	1,245,744

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

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

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2024 comprise financial statements of the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in associates and joint ventures. The financial statements of the Company as at and for the financial year ended 30 June 2024 do not include other entities.

The Company is principally engaged in investment holding, providing management services and as contractor of civil and structural works.

The information on the name, principal activities, country of incorporation and proportion of ownership interest and voting power held by the Company in each subsidiary and associate is disclosed in Notes 17 and 18 respectively.

The registered office and principal place of business of the Company are both located at Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur.

The financial statements were authorised for issuance by the Board of Directors in accordance with a resolution of the Directors on 28 October 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

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

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

2.2 Adoption of new standard/amendments to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standard/amendments to MFRSs which are mandatory for the financial periods beginning on or after 1 July 2023.

The initial application of the applicable new standard/amendments to the MFRS did not have material financial impact to the financial statements, except for Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies. The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

2.3 Standards issue but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they became effective:

Effective for financial period beginning on or after 1 January 2024:-

Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non-current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments - Disclosures - Supplier Finance Arrangements

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

2.3 Standards issue but not yet effective (cont'd)

Effective for financial period beginning on or after 1 January 2025:-

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Effective for financial period beginning on or after 1 January 2026:-

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instrumental - Disclosures - Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11

Effective for financial period beginning on or after 1 January 2027:-

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability - Disclosures

Deferred to a date to be determined by MASB:-

Amendments to MFRS 10 MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint and Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above new and amended standards are not expected to have any material impacts on the financial statements.

2.4 Going concern

As at 30 June 2024, the Group and the Company have net current liabilities as a result of previous financial years losses despite having a profit in current financial year. The Group and the Company have unutilised banking facilities for our continuing operation as disclosed in Note 35(b).

In making the assessment whether the Group and the Company are able to continue as a going concern, the Board of Directors ("Board") has prepared appropriate plans to address the effect of those events or conditions:

1. Prepared the Group's cash flow forecast for the year ending 30 June 2025 and evaluated the adequacy of the cash flows to support the operations of the Group. The forecast was reviewed by the Board to ensure the reliability of the underlying data and the reasonableness of the key assumptions used;
2. Proposed implementation of cost rationalisation which would include the reduction of operational costs and capital expenditure;

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

2.4 Going concern (cont'd)

In making the assessment whether the Group and the Company are able to continue as a going concern, the Board of Directors ("Board") has prepared appropriate plans to address the effect of those events or conditions (cont'd):

3. Renegotiation, where required, with the financial institutions on their borrowings repayment terms, as mentioned in Note 35(b); and
4. Securing additional financing from certain financial institutions and the Government of Malaysia as mentioned in Note 35(b).

The Board foresees a challenging year ahead for the Group and will exercise particular caution in major decisions that may require significant cash outflows. Notwithstanding, the Board will focus on its cost rationalisation efforts and leverage measures to enhance efficiency and productivity in order to steer the Group towards growth and profitability.

Based on management budgets and plans, the Board is of the view that the Group will be able to meet financial obligations for at least 12 months from the date of the end of the reporting period. The Directors believe that there is no material uncertainty in respect of the Group's and the Company's ability to continue as a going concern for the period assessed above due to the level of its current cash holdings and ability to generate operating cash flows.

Therefore, the financial statements have been prepared on a going concern basis. This basis presumes that the business operations of the Group and of the Company will be profitable in the foreseeable future and consequently, the realisation of assets and the settlement of liability will occur in the ordinary course of business.

2.5 Basis of measurement

The financial statements of the Group and the Company have been prepared under the historical cost convention, unless otherwise indicated in the financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

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

2.5 Basis of measurement (cont'd)

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 Shared-based Payment, leasing transactions that are within the scope of MFRS 16 Lease, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 Inventories or value in use in MFRS 136 Impairment of Assets.

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

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

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and by the Company, unless otherwise stated.

2.6 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to nearest thousand, unless otherwise stated.

2.7 The use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised from the period in which the estimate is revised.

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

2.7 The use of estimates and judgements (cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses are outlined below:

(a) Revenue from service concession arrangement

The Group recognises revenue and costs in profit or loss by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on proportion of the contract costs incurred for work performed to date relative to the estimated total contract costs. Judgements are required in determining the construction margin in the construction of the infrastructure asset. The estimated margin is based on relative comparison with general industry trend although actual margins may differ.

(b) Revenue recognition on construction contracts and property development activities

As revenue from on-going construction contracts are recognised over time, the amount of revenue recognised at the end of the reporting period depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that property development activities and contract costs incurred for work performed to date bear to the estimated total property development or contract costs.

Significant judgement is required in determining the stage of completion, the extent of the property development and contract costs incurred, the estimated total revenue included any compensation for liquidated ascertained damages and total costs and the recoverability of the development project and contract cost. In making these judgements, management relies on past experience and, if necessary, the work of specialists.

(c) Useful lives of depreciable assets

Depreciate assets, are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of the depreciable assets to be within 2 to 50 years and reviews the useful lives of depreciable assets at each reporting date. At the reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

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

2.7 The use of estimates and judgements (cont'd)

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

(e) Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, the management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, the management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

(f) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(g) Impairment for expected credit losses of trade receivables and contract assets

Significant estimate is required in determining the impairment of trade receivables and contract assets. Impairment loss measured based on expected credit loss model is based on assumptions on risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's and the Company's past collection records, existing market conditions as well as forward looking estimates as at the end of the reporting period.

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

2.7 The use of estimates and judgements (cont'd)

(h) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters result is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(i) Recognition of deferred tax assets

Deferred tax assets are recognised for the tax effects of deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilised. Significant management judgement is required in determining the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(j) Defined benefit plans

The Group's net obligation in respect of defined benefit plan of a foreign subsidiary is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

(k) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

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

2.7 The use of estimates and judgements (cont'd)

(k) Classification between investment properties and owner-occupied properties (cont'd)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. REVENUE

3.1 Disaggregated revenue information

	Group		Company	
	2024	2023	2024	2023
Type of revenue	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:				
Contract revenue	**322,492**	236,430	**21,525**	7,360
Sale of goods	**145,985**	113,493	**-**	-
Rendering of services	**444**	407	**-**	-
Sale of completed properties	**-**	800	**-**	-
Property development	**7,761**	2,865	**-**	-
Hotel operation	**4,135**	3,509	**-**	-
Food and beverage sales	**513**	761	**-**	-
Management fee income	**-**	-	**12,635**	14,923
	481,330	358,265	**34,160**	22,283
Revenue from other sources of income:				
Dividend income	**-**	-	**31,872**	27,730
Rental income	**14,140**	13,292	**-**	-
	14,140	13,292	**31,872**	27,730
	495,470	371,557	**66,032**	50,013
Timing of revenue recognition:				
At a point in time	**52,867**	46,990	**-**	-
Over time	**428,463**	311,275	**34,160**	22,283
	481,330	358,265	**34,160**	22,283

3.2 Geographical market

The Group's and the Company's revenue are derived from Malaysia.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

3. REVENUE (CONT'D)

3.3 Performance obligations

(a) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments. Under the terms of the contracts, the Group and the Company has an enforceable right to payment for performance completed to date and that the customer controls the assets during the course of construction by the Group and the Company and that the construction services performed does not create an asset with an alternative use to the Group and the Company.

Revenue from construction contracts is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ("input method"), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15 Revenue from Contracts with Customers. Full provision is made for any foreseeable losses which is offset against revenue. There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally less than one year.

The Group and the Company expect revenue from unsatisfied performance obligations to be recognised in the following year as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Engineering and constructions				
Within:				
1-3 years	862,099	859,446	116,391	13,732

(b) Goods sold and services rendered

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

Revenue from services is recognised when services are rendered. The Group recognises revenue from logistic management services and vessel related services over time, using an input method to measure the progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

3. REVENUE (CONT'D)

3.3 Performance obligations (cont'd)

(c) Property development

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

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

(d) Sales of completed properties

Revenue from sales of completed properties is recognised upon delivery of properties where the control of the properties has been passed to the buyers.

(e) Management fee income

Management fee income is recognised on an accrual basis, by reference to the agreements entered into.

(f) Hotel operation

Hotel revenue from room rental is recognised over time during the period of stay for the hotel guests. Revenue from food and beverage sales and other ancillary services is generally recognised at the point in time when the services are rendered.

3.4 Revenue from other sources

(a) Dividend income

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

(b) Rental income

Rental income is recognised on a straight-line basis over the tenure of the lease.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

4. FINANCE INCOME

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest income on:				
- Accretion of fair value on non-current receivables	48,407	51,000	-	-
- Deposits placed with licensed banks	1,643	541	37	65
- Short term investments	1,560	2,222	-	-
	51,610	53,763	**37**	65

Accretion of fair value on non-current receivables represents fair value impact on concession receivables from Government of Malaysia as explained in Note 22.

5. FINANCE COSTS

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Sukuk	**81,345**	83,123	**-**	-
- Term loans	**63,194**	54,953	**23,559**	16,687
- Bank overdrafts	**4,141**	3,058	**-**	-
- Finance lease liabilities	**131**	182	**-**	1
- Lease liabilities	**790**	875	**2,922**	2,950
- Revolving credits	**6,814**	6,900	**-**	-
- Redeemable preference shares	**280**	205	**-**	-
- Trust receipts	**-**	357	**-**	-
- Banker's acceptance	**76**	171	**-**	-
- Invoice financing	**21**	114	**-**	-
- Reimbursable land cost financing	**931**	-	**-**	-
- Others	**1,114**	(832)	**-**	-
	158,837	149,106	**26,481**	19,638

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

5. FINANCE COSTS (CONT'D)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Less: Capitalisation of interest				
- Sukuk	**(59,209)**	(58,795)	**-**	-
- Term loans	**(31,611)**	(30,433)	**-**	-
- Reimbursable land cost financing	**(931)**	-	**-**	-
- Lease liabilities	**-**	(9)	**-**	-
- Revolving credits	**(2,481)**	(1,622)	**-**	-
- Trust receipts	**-**	(357)	**-**	-
- Banker's acceptance	**-**	(90)	**-**	-
	(94,232)	(91,306)	**-**	-
Total finance costs, net capitalisation of interest	**64,605**	57,800	**26,481**	19,638
Amortisation of transaction costs	**523**	205	**-**	-
	65,128	58,005	**26,481**	19,638

6. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is arrived at after charging/(crediting):

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration related to:				
Statutory audit fees:				
- Grant Thorton Malaysia PLT	**580**	538	**160**	150
- Other auditors	**5**	56	**5**	5
Non-assurance-related services:				
- Grant Thorton Malaysia PLT	**92**	-	**70**	-
Amortisation of intangible assets	**1,361**	1,756	**-**	-

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

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

Profit/(Loss) before tax is arrived at after charging/(crediting) (cont'd):

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Bad debts written off	**2,599**	62	**453**	37
Directors' fee	**1,645**	1,179	**537**	525
Depreciation of property, plant and equipment	**21,973**	33,127	**21**	60
Depreciation of investment properties	**191**	141	**-**	-
Depreciation of right-of-use assets	**3,880**	8,536	**1,598**	1,598
Expenses relating to short term and low value asset leases	**5,054**	4,932	**50**	1
Employee benefits expense*:				
- Salaries and other emoluments	**37,564**	54,550	**7,273**	9,274
- Contribution to defined contribution plans	**4,063**	6,199	**840**	964
- Retirement benefits	**-**	448	**-**	-
Fair value loss arising from biological assets	**-**	521	**-**	-
Fair value loss on financial assets	**-**	48	**-**	-
Gain on disposal of property, plant and equipment - net	**(1,645)**	(1,833)	**-**	(112)
Gain on lease modification of right-of-use assets	**-**	(2,390)	**-**	-
Gain on redemption of redeemable convertible preference shares	**-**	-	**(11,936)**	(6,862)
(Gain)/Loss on disposal of a subsidiary	**(423,515)**	-	**19,042**	-
Government grant income	**(177)**	(177)	**-**	-
Impairment loss on non-financial assets:				
- Investment in subsidiaries	**-**	-	**-**	351
- Goodwill	**-**	593	**-**	-
- Property, plant and equipment	**2,273**	-	**-**	-

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

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

Profit/(Loss) before tax is arrived at after charging/(crediting) (cont'd):

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Impairment loss on:				
- Trade receivables	**7,402**	8,912	**-**	1,189
- Subsidiaries (non-trade)	**-**	-	**2,361**	124,374
- Affiliate (non-trade)	**-**	49	**-**	-
- Other receivables and deposits	**230,144**	4,047	**114,846**	668
- Construction contract assets	**4,626**	-	**1,916**	-
(Gain)/Loss on foreign exchange:				
- Unrealised	**(274)**	-	**(274)**	2,829
Rental income generated from investment properties	**(711)**	(569)	**-**	-
Inventories written down	**-**	124	**-**	-
Inventories written off	**17**	5,191	**-**	-
Property, plant and equipment written off	**4**	-	**-**	-

* Included in employee benefits expense are the Directors' remuneration disclosed in Note 7 to the financial statements.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

7. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the Directors of the Company.

The aggregate amounts of emoluments receivable by key management personnel of the Group and of the Company during financial year are as follows:

	Group		**Company**	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive Directors				
- Directors' fees	**43**	474	**-**	-
- Salaries and emoluments	**2,075**	5,851	**38**	1,339
- Defined contribution plans	**241**	627	**-**	157
Total remuneration	**2,359**	6,952	**38**	1,496
Estimated monetary value of benefit-in-kind	**66**	23	**-**	67
	2,425	6,975	**38**	1,563
Non-executive Directors				
- Directors' fees	**1,602**	705	**537**	525
- Salaries and emoluments	**2,750**	56	**72**	52
- Defined contribution plans	**309**	-	**-**	-
Total remuneration	**4,661**	761	**609**	577
Estimated monetary value of benefit-in-kind	**193**	234	**31**	50
	4,854	995	**640**	627
Key management personnel				
- Salaries and emoluments	**2,025**	1,298	**540**	477
- Defined contribution plans	**259**	172	71	63
Total remuneration	**2,284**	1,470	611	540
Estimated monetary value of benefit-in-kind	**30**	13	10	13
	2,314	1,483	621	553
	9,593	9,453	1,299	2,743

8. TAX EXPENSE/(INCOME)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Estimated tax payable:				
- Current year	**20,078**	15,297	**7**	-
- Under provision in prior financial years	**1,746**	1,371	**-**	-
	21,824	16,668	**7**	-
Deferred tax:				
- Origination and reversal of temporary differences	**(6,563)**	12,520	**(691)**	-
- Under/(Over) provision in prior financial years	**10,675**	144	**(1,135)**	-
	4,112	12,664	**(1,826)**	-
	25,936	29,332	**(1,819)**	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the financial year.

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) before tax	**132,417**	22,125	**(134,177)**	(115,448)
Tax expense calculated at Malaysian statutory tax rate of 24%	**31,780**	5,310	**(32,202)**	(27,707)
Tax effects of:				
Non-deductible expenses	**56,651**	16,427	**40,179**	36,257
Non-taxable income	**(79,238)**	(2,370)	**(11,208)**	(8,891)
Under provision of tax payable in prior financial years	**1,746**	1,371	**-**	-

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

8. TAX EXPENSE/(INCOME) (CONT'D)

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

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tax effects of (cont'd):				
Under/(Over) provision of deferred tax in prior financial years	**10,675**	144	**(1,135)**	-
Deferred tax assets not recognised	**4,322**	8,450	**2,547**	341
	25,936	29,332	**(1,819)**	-

9. LOSS FOR THE FINANCIAL YEAR FROM DISCONTINUED OPERATION, NET OF TAX

On 27 November 2023, the Company has disposed of 19,042,713 ordinary shares in the subsidiary, P.T. Ichtiar Gusti Pudi representing 95% equity interest therein.

An analysis of the results of the discontinued operations is as follows:

	Group	
	1.7.2023 to 27.11.2023 RM'000	**1.7.2022 to 30.6.2023 RM'000**
Revenue	-	8,887
Cost of sales	-	(33,674)
Gross loss	-	(24,787)
Other income	6,459	1,919
Administrative expenses	(10,579)	(16,627)
Other expenses	(1)	(21,554)
Loss from operations	(4,121)	(61,049)
Finance costs	(18,559)	(31,964)
Loss before tax	(22,680)	(93,013)
Tax expense	-	(3,667)
Loss after tax	(22,680)	(96,680)

9. LOSS FOR THE FINANCIAL YEAR FROM DISCONTINUED OPERATION, NET OF TAX (CONT'D)

An analysis of the results of the discontinued operations is as follows (cont'd):

	Group	
	1.7.2023 to 27.11.2023 RM'000	1.7.2022 to 30.6.2023 RM'000
Loss after tax (cont'd)	(22,680)	(96,680)
Other comprehensive profit/(loss)	340	(20,914)
Total comprehensive loss for the financial year	(22,340)	(117,594)

(a) Included in the results from operating activities are as follows:

	Group	
	1.7.2023 to 27.11.2023 RM'000	1.7.2022 to 30.6.2023 RM'000
Auditors' remuneration related to:		
Statutory audit fees		
- Other auditors	-	51
Depreciation of right-of-use assets	10,213	2,700
Fair value gain arising from biological assets	-	521
Impairment loss on trade receivables	-	5,335
Inventories written down	-	5,246

(b) The cash flows attributable to the discontinued operation are as follows:

	Group	
	1.7.2023 to 27.11.2023 RM'000	1.7.2022 to 30.6.2023 RM'000
Net cash used in operating activities	(395)	(6,309)
Net cash from financing activities	395	-
Net cash used in discontinued operation	-	(6,309)

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

10. PROFIT/(LOSS) PER ORDINARY SHARE

Basic profit/(loss) per ordinary share

The calculation of basic loss per ordinary share at 30 June 2024 was based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding during the year.

	Group	
	2024	**2023**
Continuing operations		
Basic profit per ordinary share		
Net profit attributable to owners of the Company (RM'000)	**116,676**	2,615
Weighted average number of ordinary shares in issue ('000)	**673,682**	598,097
Basic profit per ordinary share (sen)	**17.32**	0.44
Discontinuing operation		
Basic loss per ordinary share		
Net loss attributable to owners of the Company (RM'000)	**(21,546)**	(91,846)
Weighted average number of ordinary shares in issue ('000)	**673,682**	598,097
Basic loss per ordinary share (sen)	**(3.20)**	(15.35)

Diluted earnings per ordinary shares

Diluted earnings per share is the same as basic earnings per shares as there is no dilutive potential ordinary shares outstanding during the financial year.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Bearer plants RM'000	Buildings and renovation RM'000	Machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Asset under construction RM'000	Total RM'000
Cost								
As at 1 July 2022	26,960	393,141	321,526	130,555	38,765	16,605	66,857	994,409
Additions	-	-	11,175	249	375	316	1,665	13,780
Disposals	-	(1,450)	-	(71)	(6,190)	(10)	-	(7,721)
Written off	-	-	-	(981)	(781)	-	-	(1,762)
Reclassifications	-	-	1,700	-	-	683	(2,383)	-
Effects of movements in exchange rates	-	20,002	(86)	2,501	205	86	-	22,708
As at 30 June 2023	26,960	411,693	334,315	132,253	32,374	17,680	66,139	1,021,414
Additions	-	-	361	89	834	796	500	2,580
Disposals	-	-	-	(1,893)	(5,739)	-	-	(7,632)
Disposal of a subsidiary	-	(405,497)	(32,335)	(60,313)	(3,845)	(1,758)	-	(503,748)
Written off	-	-	(64)	-	-	(59)	(4)	(127)
Reclassifications	-	-	15	-	-	-	(15)	-
Effects of movements in exchange rates	-	(6,196)	(504)	(780)	(64)	(27)	-	(7,571)
As at 30 June 2024	**26,960**	**-**	**301,788**	**69,356**	**23,560**	**16,632**	**66,620**	**504,916**

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

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

Group (cont'd)	Freehold land RM'000	Bearer plants RM'000	Buildings and renovation RM'000	Machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Asset under construction RM'000	Total RM'000
Accumulated depreciation								
As at 1 July 2022	-	79,273	46,955	85,392	37,412	12,537	-	261,569
Charge for the financial year	-	18,420	7,602	4,476	831	1,798	-	33,127
Disposals	-	-	-	(71)	(6,190)	(2)	-	(6,263)
Written off	-	-	-	(981)	(781)	-	-	(1,762)
Effects of movements in exchange rates	-	4,780	581	722	204	82	-	6,369
As at 30 June 2023	-	102,473	55,138	89,538	31,476	14,415	-	293,040
Charge for the financial year	-	10,213	9,052	1,446	415	847	-	21,973
Disposals	-	-	-	(1,893)	(5,739)	-	-	(7,632)
Disposal of a subsidiary	-	(111,233)	(10,518)	(26,233)	(3,824)	(1,662)	-	(153,470)
Written off	-	-	(64)	-	-	(59)	-	(123)
Effects of movements in exchange rates	-	(1,453)	(182)	(226)	(64)	(26)	-	(1,951)
As at 30 June 2024	**-**	**-**	**53,426**	**62,632**	**22,264**	**13,515**	**-**	**151,837**
Accumulated impairment								
As at 1 July 2022/30 June 2023	2,000	-	-	-	-	-	9,566	11,566
Additions	-	-	1,490	-	-	565	218	2,273
As at 30 June 2024	**2,000**	**-**	**1,490**	**-**	**-**	**565**	**9,784**	**13,839**
Carrying amounts								
As at 30 June 2023	24,960	309,220	279,177	42,715	898	3,265	56,573	716,808
As at 30 June 2024	**24,960**	**-**	**246,872**	**6,724**	**1,296**	**2,552**	**56,836**	**339,240**

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

Company	Freehold land RM'000	Machinery and equipment RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Cost					
As at 1 July 2022	1,750	45	3,678	361	5,834
Disposals	-	-	(870)	-	(870)
As at 30 June 2023	1,750	45	2,808	361	4,964
Addition	-	-	5	74	79
Disposals	-	-	(1,187)	-	(1,187)
As at 30 June 2024	**1,750**	**45**	**1,626**	**435**	**3,856**
Accumulated depreciation					
As at 1 July 2022	-	43	3,608	361	4,012
Charge for the financial year	-	-	60	-	60
Disposals	-	-	(870)	-	(870)
As at 30 June 2023	-	43	2,798	361	3,202
Charge for the financial year	-	-	10	11	21
Disposals	-	-	(1,187)	-	(1,187)
As at 30 June 2024	**-**	**43**	**1,621**	**372**	**2,036**
Carrying amounts					
As at 30 June 2023	1,750	2	10	-	1,762
As at 30 June 2024	**1,750**	**2**	**5**	**63**	**1,820**

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

The net carrying amount of property, plant and equipment under finance lease arrangements as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Machinery and equipment	**5,540**	6,100	**-**	-
Motor vehicles	**1,158**	849	**5**	10
	6,698	6,949	**5**	10

Freehold land and buildings of the Group with total net carrying amounts of RM76,001,000 (2023: RM135,980,000) are charged to financial institutions as securities for banking facilities granted to its subsidiaries.

Material accounting policy information

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land with an infinite life is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	2%
Renovation	20%
Machinery and equipment	10% - 33.3%
Motor vehicles	20% - 33.3%
Furniture, fittings and equipment	6.7% - 20%

Capital work-in-progress consists of buildings under construction/installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use. Assets under construction are not depreciated until they are completed and ready for their intended use.

Fully depreciated assets are retained in the financial statements until they are no longer in used and no further charge for depreciation is made in respect of these assets.

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

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce. The bearer plants that are available for use are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting such as seedling and planting costs, capitalisation of interest expense on loans and advances utilised to finance on-going planting costs. All costs directly related to bearer plants are capitalised until such time as the bearer plants reach maturity, at which point all further costs and interests are expensed and depreciation commences. Upon maturity, these expenditures are depreciated based on estimated annual yield over 25 years.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

12. RIGHT-OF-USE ASSETS

The Group and the Company lease several leasehold land, buildings, machinery and equipment, bunkering facilities and office equipment. The lease terms range of the Group and of the Company ranging from 2 to 33 years and 43 years (2023: 2 to 33 years and 43 years).

Group	Leasehold land RM'000	Buildings RM'000	Machinery and equipment RM'000	Bunkering facilities RM'000	Office equipment RM'000	Total RM'000
Cost						
As at 1 July 2022	38,656	3,537	5,560	5,184	139	53,076
Additions	-	48	13,858	-	-	13,906
Derecognition	(1,488)	(3,514)	(4,472)	-	-	(9,474)
Lease modification	(2,218)	2,882	(717)	-	(139)	(192)
Effect of movements in exchange rates	300	-	-	-	-	300
As at 30 June 2023	35,250	2,953	14,229	5,184	-	57,616
Additions	900	-	-	236	-	1,136
Derecognition	(2,612)	(257)	(1,312)	(158)	-	(4,339)
Disposal of a subsidiary	(30,068)	(654)	(938)	-	-	(31,660)
Effect of movements in exchange rates	(135)	(3)	(4)	-	-	(142)
As at 30 June 2024	**3,335**	**2,039**	**11,975**	**5,262**	**-**	**22,611**

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

Group (cont'd)	**Leasehold land RM'000**	**Buildings RM'000**	**Machinery and equipment RM'000**	**Bunkering facilities RM'000**	**Office equipment RM'000**	**Total RM'000**
Accumulated depreciation						
As at 1 July 2022	16,411	3,159	5,249	470	94	25,383
Charge for the financial year	3,221	227	3,316	1,754	18	8,536
Derecognition	(1,854)	(3,148)	(4,472)	-	-	(9,474)
Lease modification	(133)	67	(393)	-	(112)	(571)
Effect of movement in exchange rates	676	-	-	-	-	676
As at 30 June 2023	18,321	305	3,700	2,224	-	24,550
Charge for the financial year	61	85	1,980	1,754	-	3,880
Derecognition	(2,612)	(257)	(1,312)	(158)	-	(4,339)
Disposal of a subsidiary	(15,101)	(20)	(367)	-	-	(15,488)
Effect of movement in exchange rates	(68)	-	-	-	-	(68)
As at 30 June 2024	**601**	**113**	**4,001**	**3,820**	**-**	**8,535**
Carrying amounts						
As at 30 June 2023	16,929	2,648	10,529	2,960	-	33,066
As at 30 June 2024	**2,734**	**1,926**	**7,974**	**1,442**	**-**	**14,076**

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

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

Company	**Building*** **RM'000**
Cost	
As at 1 July 2022	75,766
Remeasurement of right-of-use assets	(5,286)
As at 30 June 2023/30 June 2024	**70,480**
Accumulated depreciation	
As at 1 July 2022	5,910
Charge for the financial year	1,598
As at 30 June 2023	7,508
Charge for the financial year	1,598
As at 30 June 2024	**9,106**
Carrying amount	
As at 30 June 2023	62,972
As at 30 June 2024	**61,374**

* This represents lease of building from a subsidiary which have been eliminated at the Group level.

In the current financial year, amounts recognised in profit or loss are as below:

	Group		**Company**	
	2024 **RM'000**	**2023** **RM'000**	**2024** **RM'000**	**2023** **RM'000**
Amounts recognised in profit and loss				
Depreciation of right-of-use assets	**3,880**	8,536	**1,598**	1,598
Interest expense on lease liabilities	**790**	875	**2,922**	2,950
Expenses relating to short-term lease	**5,054**	4,932	**50**	1
	9,724	14,343	**4,570**	4,549

During the financial year, the total cash outflows for leases for the Group and the Company amounted to RM9,593,000 (2023: RM10,126,000) and RM3,631,000 (2023: RM3,583,000) respectively.

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

Material accounting policy information

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Leasehold land	3% - 10%
Buildings	2%
Machinery and equipment	14% - 20%
Bunkering facilities	25% - 50%

Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group or the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components and will instead account for the lease and non-lease components as a single lease component.

Recognition exemption

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

When the Group or the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group or the Company apply the exemption described above, then it classifies the sublease as an operating lease.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

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

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

13. INVESTMENT PROPERTIES

	Group	
	2024	**2023**
Buildings	**RM'000**	**RM'000**
Cost		
As at 1 July 2023/2022	**7,662**	4,813
Transfer from completed properties	**2,319**	2,849
As at 30 June	**9,981**	7,662
Accumulated depreciation		
As at 1 July 2023/2022	**255**	114
Charge from the financial year	**191**	141
As at 30 June	**446**	255
Carrying amount		
As at 30 June	**9,535**	7,407
Fair value		
As at 30 June	**14,820**	11,315

Material accounting policy information

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

13. INVESTMENT PROPERTIES (CONT'D)

Material accounting policy information (cont'd)

Buildings are depreciated on the straight-line method over its useful life of 50 years (2023: 50 years).

The rental income earned by the Group from its investment properties amounted to RM711,000 (2023: RM568,000).

Direct operating expenses pertaining to the investment properties of the Group that generated rental income and that did not generate any rental income during the financial year amounted to RM26,000 (2023: RM17,000) and RMNil (2023: RM2,000) respectively.

Investment properties comprise of semi-detached factories, a terrace factory and shop lots building that are leased to third parties. The Group has classified these inventories as investment properties due to the change in intended use. The leases contain an initial non-cancellable year ranging from two (2) to three (3) years. Subsequent renewals are negotiated with the lessees and on average renewal years of one (1) year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The Group estimates the fair value of all investment properties based on the market evidence of transaction prices for similar properties. Valuation processes applied by the Group for level 3 fair value.	Indicative market price of property in vicinity compared.	The estimated fair value would increase/ (decrease) if market prices of property were higher/(lower).

Assessment of the fair values of the Group's investment properties is undertaken annually. The changes in Level 3 fair values are analysed by the management based on the assessment undertaken.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

14. INTANGIBLE ASSETS

Group	Contractual customer relationship RM'000	Lease agreement RM'000	Software RM'000	Goodwill on consolidation RM'000	Total RM'000
Cost					
As at 1 July 2022	8,209	16,022	287	38,887	63,405
Effects of movements in exchange rates	-	-	15	-	15
As at 30 June 2023	8,209	16,022	302	38,887	63,420
Disposal of a subsidiary	-	-	(297)	(588)	(885)
Effects of movements in exchange rates	-	-	(5)	-	(5)
As at 30 June 2024	**8,209**	**16,022**	**-**	**38,299**	**62,530**

14. INTANGIBLE ASSETS (CONT'D)

Group (cont'd)	**Contractual customer relationship RM'000**	**Lease agreement RM'000**	**Software RM'000**	**Goodwill on consolidation RM'000**	**Total RM'000**
Accumulated amortisation					
As at 1 July 2022	6,450	2,843	100	-	9,393
Amortisation for the financial year	1,173	517	66	-	1,756
As at 30 June 2023	7,623	3,360	166	-	11,149
Amortisation for the financial year	586	775	-	-	1,361
Disposal of a subsidiary	-	-	(163)	-	(163)
Effects of movements in exchange rates	-	-	(3)	-	(3)
As at 30 June 2024	**8,209**	**4,135**	**-**	**-**	**12,344**
Accumulated impairment loss					
As at 1 July 2022	-	-	-	-	-
Additions	-	-	-	593	593
As at 30 June 2023	-	-	-	593	593
Disposal of a subsidiary	-	-	-	(587)	(587)
As at 30 June 2024	**-**	**-**	**-**	**6**	**6**
Carrying amount					
As at 30 June 2023	586	12,662	136	38,294	51,678
As at 30 June 2024	**-**	**11,887**	**-**	**38,293**	**50,180**

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

14. INTANGIBLE ASSETS (CONT'D)

Material accounting policy information

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

For the purpose of impairment testing, goodwill is allocated to the cash-generating units, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each cash-generating unit are as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Malaysian supply base operation	**35,621**	35,621
Malaysian hotel operator unit	**2,410**	2,410
Multiple business units without significant goodwill	**262**	263
	38,293	38,294

(i) Malaysian supply base operation

The recoverable amount is determined based on value-in-use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a 5 years period with terminal value computation with a pre-tax discount rate ranging from 10% to 12% (2023: 8% to 10%) per annum. The key assumptions for the value-in-use calculation include management's expectation on the growth in the number of vessels berthed per day. The terminal value was estimated using the perpetuity growth model, with a growth rate to perpetuity of 2% (2023: 1%) applied to steady-state estimate earnings at the end of the projected period.

(ii) Malaysian hotel operator unit

The recoverable amount is determined based on value-in-use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a 5 years period with terminal value computation with a pre-tax discount rate of 12% (2023: 10%) per annum. The key assumptions for the value-in-use calculation include management's expectation of the rooms' occupancy. The terminal value was estimated using the perpetuity growth model, with a growth rate to perpetuity of Nil (2023: Nil) applied to steady-state estimate earnings at the end of the projected period.

14. INTANGIBLE ASSETS (CONT'D)

Impairment testing for cash - generating units containing goodwill

Management has identified that a reasonably possible change in one key assumption could cause the carrying amount to exceed the recoverable amount. The values assigned to the key assumptions represent management's assessment of future trends in the industry. A decrease of 1% in future planned revenue and increase of 1% in discount rate used would have increased the impairment loss by RM6,287,000.

15. CONCESSION SERVICE ASSETS

	Group	
	2024	**2023**
	RM'000	**RM'000**
As at 1 July 2023/2022	**2,429,713**	2,251,485
Additions	**130,329**	178,228
As at 30 June	**2,560,042**	2,429,713

Concession service assets represent the project costs incurred on the construction of a highway undertaken by the Group pursuant to a concession agreement with the Government of Malaysia signed on 13 February 2013. The concession agreement gives right to the Group for collection of tolls over a concession period of 50 years from the Government of Malaysia in exchange for services to be rendered in connection with the design, construction, completion, operation, management and maintenance of the East Klang Valley Expressway ("EKVE").

Net interest cost capitalised in concession service assets during the financial year is RM91,751,000 (2023: RM89,228,000).

The Concession Services Assets are still under construction.

Material accounting policy information

Concession asset comprising highway concession is stated at cost less any accumulated amortisation and any impairment losses.

The highway concession cost will be amortised when the highway is ready for its intended use or when toll collection starts whichever is earlier.

In accordance with IC Interpretation 12 *Service Concession Arrangements*, revenue associated with construction works under the Concession Agreement shall be recognised and measured in accordance with MFRS 15 *Revenue from Contracts with Customers* when or as a performance obligation in the contract is satisfied. Revenue generated by construction work rendered by the Group is measured at fair value of the consideration received or receivable.

15. CONCESSION SERVICE ASSETS (CONT'D)

Material accounting policy information (cont'd)

In order to determine the construction revenue to be recognised, the Directors have estimated and recognised a construction margin in the construction of the infrastructure asset. The estimated margin is based on relative comparison with general industry trend although actual margins may differ.

16. INVENTORIES

	Group	
	2024	**2023**
	RM'000	**RM'000**
Non-current		
Land held for development (Note 16.1)	**54,644**	54,376
Current		
Property development costs (Note 16.2)	**3,606**	3,655
Completed properties	**514**	2,833
Marine fuels and lubricants	**6,904**	3,139
Consumable goods	**136**	26,906
	11,160	36,533
	65,804	90,909

The inventories recognised as cost of sales in profit or loss amounted to RM24,339,000 (2023: RM15,559,000).

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value adequate specific write down has been made by the Directors for deteriorated, obsolete and slow-moving inventories. The cost of marine fuels, lubricants and consumable goods is calculated using the weighted average method.

16. INVENTORIES (CONT'D)

16.1 Land held for development

	Group	
	2024	**2023**
	RM'000	**RM'000**
As at 1 July 2023/2022	**54,376**	79,318
Additions	**1,091**	532
Transfer to property development costs	**(823)**	(538)
Redeemed costs	**-**	(4,640)
Written off	**-**	(5,122)
Reversal of development costs	**-**	(15,174)
As at 30 June	**54,644**	54,376
Freehold land	**45,233**	45,233
Development cost	**3,623**	3,355
Leasehold land	**5,788**	5,788
	54,644	54,376

The land held for development represents land that are earmarked for future commercial development. Freehold land with carrying amount of RM6,558,000 (2023: RM6,558,000) is pledged to a bank for banking facility granted to the Group.

16.2 Property development costs

	Group	
	2024	**2023**
	RM'000	**RM'000**
As at 1 July 2023/2022	**3,655**	1,254
Transfer from land held for development	**823**	538
Additions	**4,688**	3,918
Recognised as an expense in profit or loss	**(5,560)**	(2,055)
As at 30 June	**3,606**	3,655

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	**2023**
	RM'000	**RM'000**
Unquoted shares, at cost	**645,974**	660,520
Redeemable convertible preference shares	**231,072**	252,568
Less: Accumulated impairment loss	**(43,317)**	(43,317)
	833,729	869,771

Material accounting policy information

Investment in subsidiaries, which are eliminated on consolidation, are stated in the Company's statement of financial position at cost less any impairment losses.

(a) Redeemable convertible preference shares ("RCPS")

During the financial year, 33,432,000 RCPS (2023: 19,221,398 RCPS) were redeemed by a subsidiary company at the redemption price of RM1.00 per RCPS out of the capital of the subsidiary company for total cash of RM33,432,000 (2023: RM19,221,000).

(b) Accumulated impairment loss

Movements in the accumulated impairment loss of investment in subsidiary companies are as follows:

	Company	
	2024	**2023**
	RM'000	**RM'000**
As at 1 July 2023/2022	**43,317**	42,966
Additions	**-**	351
As at 30 June	**43,317**	43,317

The Directors assesses whether there is any indicator of impairment during the financial year. In doing this, management has considered the current environment and financial performance of its subsidiary companies as impairment indicators. If any such indication exists, the management of the Company assesses the recoverable amount of the investment in subsidiaries and an impairment loss is recognised when the recoverable amount of the investment in subsidiaries is less than their carrying amount. The Directors concluded that the allowance for impairment loss amounting to RM43,317,000 (2023: RM43,317,000) as at the end of the reporting period is deemed adequate in respect of investments in subsidiaries.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Investment in subsidiaries, which are eliminated on consolidation, are stated in the Company's statement of financial position at cost less any impairment losses (cont'd).

(b) Accumulated impairment loss (cont'd)

The recoverable amount of the subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or value-in-use of the respective subsidiaries.

Estimating a value in use requires significant judgements and estimates about the future results and key assumptions applied to the cash flow projections of the subsidiaries in determining the recoverable amounts. These key assumptions include different forecast growth in future revenue and operating cash flows, as well as determining an appropriate pre-tax discount rate for used for each subsidiary.

Fair value less cost to sell method are within Level 3 of the fair value hierarchy.

There was impairment loss of RMNil (2023: RM351,000) recognised in the statement of profit or loss and other comprehensive income of the Company due to the decline of their recoverable amount.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity by reference to the fair value of its assets and liabilities.	Fair value of individual assets and liabilities.	The higher the net assets, the higher the fair value.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Proportion of ownership interest and voting power held by the Group 2024 %	2023 %
Ahmad Zaki Sdn. Bhd.	Contractors of civil and structural construction works and to carry on all or any of the business of transport operators	Malaysia	**100**	100
Inter-Century Sdn. Bhd.$	Dealer of marine fuels	Malaysia	**100**	100
Tadok Granite Manufacturing Sdn. Bhd.	Dormant	Malaysia	**100**	100
AZRB International Ventures Sdn. Bhd.	Investment holding	Malaysia	**100**	100
Trend Vista Development Sdn. Bhd.	Real property and housing development	Malaysia	**100**	100
P.T. Ichtiar Gusti Pudi*$	Oil palm cultivation and processing of palm oil	Republic of Indonesia	**-**	95
Ahmad Zaki Saudi Arabia Co. Ltd.#@	Contractors of civil and structural works	Kingdom of Saudi Arabia	**95**	95
Peninsular Medical Sdn. Bhd.$	Carry out maintenance services of a teaching hospital via concession and assets management agreements	Malaysia	**100**	100
AZ Land & Properties Sdn. Bhd.	Property development	Malaysia	**100**	100

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (cont'd):

Name of subsidiary	Principal activities	Country of incorporation	Proportion of ownership interest and voting power held by the Group 2024 %	2023 %
EKVE Sdn. Bhd.$	Engaged in the business of construction, establishment, operation, maintenance and management of a highway	Malaysia	**100**	100
Unggul Energy & Construction Sdn. Bhd.	Dormant	Malaysia	**100**	100
Temala Development Sdn. Bhd.	Property development	Malaysia	**70**	70
Betanaz Properties Sdn. Bhd.	Property development	Malaysia	**51**	51
Peninsular Prokonsult Sdn. Bhd.	Project management services	Malaysia	**100**	100
Residence Inn & Motels Sdn. Bhd.	Hotel operator and hotel project consultant	Malaysia	**100**	100
Betanaz Mills Sdn. Bhd.	Dormant	Malaysia	**67**	67
Sambungan Lebuhraya Timur Sdn. Bhd.	Dormant	Malaysia	**100**	100
Matrix Reservoir Sdn. Bhd.	Investment holding and rental of plant, machineries and equipment	Malaysia	**53**	53

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (cont'd):

Name of subsidiary	Principal activities	Country of incorporation	Proportion of ownership interest and voting power held by the Group 2024 %	2023 %
AZRB Capital Sdn. Bhd.$	A special purpose vehicle established solely for the purpose of issuance of sukuk, in compliance with shariah principles	Malaysia	**100**	100
Kemaman Technology & Industrial Park Sdn. Bhd.	Property development	Malaysia	**60**	-
Held through Betanaz Mills Sdn. Bhd.				
Peak Crops Sdn. Bhd.	Dormant	Malaysia	**40**	40
Held through Ahmad Zaki Sdn. Bhd.				
Peninsular Precast Sdn. Bhd.	Fabricating and marketing of Industrial Building Products and System ("IBS")	Malaysia	**100**	100
AZSB Machineries Sdn. Bhd.	Rental of machineries and equipment and to carry on all or any of the business of transport operators	Malaysia	**100**	100
Kemaman Technology & Industrial Park Sdn. Bhd.	Property development	Malaysia	**-**	60
Held through AZRB International Ventures Sdn. Bhd.				
Ahmad Zaki Saudi Arabia Co. Ltd.[#]@	Contractors of civil and structural works	Kingdom of Saudi Arabia	**5**	5

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (cont'd):

Name of subsidiary	Principal activities	Country of incorporation	Proportion of ownership interest and voting power held by the Group 2024 %	2023 %
Held through Matrix Reservoir Sdn. Bhd.				
TB Realty Sdn. Bhd.	Leasing of land and building	Malaysia	**53**	53
TB Supply Base Sdn. Bhd.	Logistic management services and vessel related services	Malaysia	**53**	53
TB Terminals Sdn. Bhd.	Dormant	Malaysia	**53**	53
Astral Far East Sdn. Bhd.	Dealer of lubricants, petroleum-based products and selling of potable water	Malaysia	**53**	53

* *Audited by other firm of auditors*
@ *Wholly-owned subsidiary of the Group*
# *The financial statements are audited for the purpose of consolidation*
$ *Shares have been pledged for banking facilities*

2024

Acquisition of a subsidiary

During the financial year, a wholly-owned subsidiary, Ahmad Zaki Sdn. Bhd. disposed 2,871,000 ordinary shares representing 60% equity interest in Kemaman Technology & Industrial Park Sdn. Bhd. to the Company for a cash consideration of RM3,746,000.

Additional investment in a subsidiary

During the financial year, the Company subscribed 750,000 newly issued ordinary shares of Peninsular Prokonsult Sdn. Bhd. for a cash consideration of RM750,000, which did not result in any change in effective equity interest.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Disposal of a subsidiary

On 27 November 2023, the Company disposed of its subsidiary, P.T. Ichtiar Gusti Pudi to Denai Saujana Sdn Bhd for a cash consideration of RM1.

The disposal of P.T. Ichtiar Gusti Pudi gave rise to a loss of RM19,043,000 in the Company's financial statements.

The effect of the disposal of P.T. Ichtiar Gusti Pudi on the financial position of the Group as at the date of disposal was as follows:

	Group 2024 RM'000
Property, plant and equipment	**350,278**
Right-of-use assets	**16,172**
Intangible assets	**134**
Inventories	**22,277**
Deferred tax assets	**2,553**
Trade and other receivables	**17,215**
Biological assets	**139**
Cash and deposits	**88**
Employee benefits	**(7,476)**
Loans and borrowings	**(646,519)**
Trade and other payables	**(225,595)**
Net liabilities at date of disposal	**(470,734)**
Goodwill	**1**
Non-controlling interest	**21,856**
Exchange translation	**25,363**
Gain on disposal of a subsidiary	**423,515**
Proceeds from disposal	**1**
Less: Cash and cash equivalents	**(88)**
Net cash outflows on disposal of equity interest in a subsidiary	**(87)**

There was no disposal in the prior financial year.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Non-controlling interests

Details of non-wholly owned subsidiaries that have non-controlling interests ("NCI"):

Name of subsidiaries	NCI percentage of ownership interest and voting power %	(Loss)/Profit allocated to non-controlling interests RM'000	Accumulated non-controlling interests RM'000
2024			
Matrix Reservoir Sdn. Bhd. and its subsidiaries ("MRSB Group")	**47**	**(4,968)**	**(11,001)**
Kemaman Technology & Industrial Park Sdn. Bhd. ("KTIP")	**40**	**148**	**6,550**
P.T. Ichtiar Gusti Pudi ("PTIGP")	**5**	**(1,117)**	**-**
Other individually immaterial subsidiaries		**(5,392)**	**(4,011)**
		(11,329)	**(8,462)**
2023			
Matrix Reservoir Sdn. Bhd. and its subsidiaries ("MRSB Group")	47	(5,852)	(6,033)
Kemaman Technology & Industrial Park Sdn. Bhd. ("KTIP")	40	(498)	6,402
P.T. Ichtiar Gusti Pudi ("PTIGP")	5	(5,880)	*(20,739)
Other individually immaterial subsidiaries		(3,473)	1,381
		(15,703)	(18,989)

* This includes impact of foreign currency translation reserves of RM1,046,000.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

17. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Non-controlling interests (cont'd)

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests (in terms of percentage) are set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2024		2023	
	MRSB Group RM'000	KTIP RM'000	MRSB Group RM'000	KTIP RM'000
Statements of financial position				
Non-current assets	246,185	15,667	255,244	13,280
Current assets	28,295	8,856	21,092	9,713
Total assets	274,480	24,523	276,336	22,993
Non-current liabilities	94,328	-	97,174	-
Current liabilities	203,560	8,147	192,000	6,986
Total liabilities	297,888	8,147	289,174	6,986
(Capital deficiency)/Total equity	(23,408)	16,376	(12,838)	16,007
Statements of profit or loss and other comprehensive income				
Revenue	53,081	7,761	47,833	3,665
Loss before tax	(9,297)	(561)	(3,267)	(1,245)
(Loss)/Profit after tax	(10,570)	369	(12,451)	(1,245)

18. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares, at cost	**2,740**	2,740	**2,640**	2,640
Share of post-acquisition reserves				
As at 1 July 2023/2022	**(100)**	62	**-**	-
Share of loss of associates, net of tax	**(1,471)**	(162)	**-**	-
As at 30 June	**(1,571)**	(100)	**-**	-
	1,169	2,640	**2,640**	2,640

Goodwill included within the Group's carrying amount of investments in associates is as follows:

	Group	
	2024 RM'000	2023 RM'000
Goodwill on acquisition	**587**	2,058

Material accounting policy information

Investment in associates are measured in the Company's statement of financial position at cost less any impairment losses.

The details of the associates, which is incorporated in Malaysia, are as follows:

Name of associates	Principal activities	Proportion of ownership interest and voting power held by the Group 2024 %	2023 %
Palmacorp Sdn. Bhd.*	Dormant	**50**	50
Held through Ahmad Zaki Sdn. Bhd.			
Fasatimur Sdn. Bhd.*	Dormant	**50**	50

* *Audited by other firm of auditors*

As at the reporting date, the summarised financial information of the associates has not been presented as the associates are immaterial to the Group.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

18. INVESTMENTS IN ASSOCIATES (CONT'D)

Contingent liabilities and capital commitments

The associates have no contingent liabilities and capital commitments in both financial years.

19. INTERESTS IN JOINT VENTURES

	Group	
	2024 RM'000	2023 RM'000
Investment cost	-	30
Share of post-acquisition results in joint ventures	-	(30)
	-	-

The details of the joint ventures, all incorporated in Malaysia, are as follows:

	Name	Project or principal activities	Proportion of ownership interest and voting power held by the Group 2024 %	2023 %
(i)	BumiHiway - Ahmad Zaki Joint Venture*	Realignment of the route from Putrajaya to Cyberjaya, Selangor	-	50
(ii)	Ahmad Zaki - JasaBakti Joint Venture*	Design and building of "Sekolah Menengah Sains Hulu Terengganu" in Terengganu	-	70

* *Audited by other firm of auditors*

As at the reporting date, the summarised financial information of the joint venture has not been presented as the joint venture is immaterial to the Group.

Material accounting policy information

Investment in joint ventures are stated in the Company's statement of financial position at cost less any impairment losses.

19. INTERESTS IN JOINT VENTURES (CONT'D)

Contingent liabilities and capital commitments

The joint venture has no contingent liabilities or capital commitments as at the reporting date.

20. INVESTMENT IN FINANCIAL ASSETS

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At fair value through profit or loss:				
Club membership	**68**	68	**68**	68

The club membership is in respect of a transferable golf club corporate membership.

The fair value of other investments is determined based on the fair value obtained from the club memberships' websites whereby the quotes obtained reflected transactions in similar instruments. The Directors are of the opinion that the carrying amounts of the investment in financial assets approximate its fair value.

21. DEFERRED TAX (ASSETS)/LIABILITIES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
As at 1 July 2023/2022	**136,815**	120,885	**(235)**	(235)
Recognised in profit or loss	**4,112**	16,331	**(1,826)**	-
Disposal of a subsidiary	**(2,553)**	-	**-**	-
Effect of movements in exchange rates	**(50)**	(401)	**-**	-
As at 30 June	**138,324**	136,815	**(2,061)**	(235)
Presented as:				
Deferred tax liabilities	**141,780**	151,724	**-**	-
Deferred tax assets	**(3,456)**	(14,909)	**(2,061)**	(235)
	138,324	136,815	**(2,061)**	(235)

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

21. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

Group	**Property, plant and equipment RM'000**	**Right-of-use and lease liabilities RM'000**	**Concession service receivables RM'000**	**Deferred income RM'000**	**Unused tax losses RM'000**	**Unabsorbed capital allowances RM'000**	**Investment properties RM'000**	**Others RM'000**	**Total RM'000**
As at 1 July 2022	12,601	-	106,404	47,487	(26,428)	(18,913)	-	(266)	120,885
Recognised in profit or loss	(11,540)	(39)	60,239	(41,003)	(9,912)	17,833	(1,332)	2,085	16,331
Effect of movements in exchange rates	-	-	-	-	(401)	-	-	-	(401)
As at 30 June 2023	1,061	(39)	166,643	6,484	(36,741)	(1,080)	(1,332)	1,819	136,815
Recognised in profit or loss	5,664	(89)	12,795	(10,295)	2,424	(755)	2,765	(8,397)	4,112
Disposal of a subsidiary	(923)	-	-	-	(3,594)	-	-	1,964	(2,553)
Effect of movements in exchange rates	-	-	-	-	(50)	-	-	-	(50)
As at 30 June 2024	**5,802**	**(128)**	**179,438**	**(3,811)**	**(37,961)**	**(1,835)**	**1,433**	**(4,614)**	**138,324**

Company	**Property, plant and equipment RM'000**	**Right-of-use assets and lease liabilities RM'000**	**Unused tax losses RM'000**	**Impairment RM'000**	**Total RM'000**
As at 1 July 2022	19	-	(254)	-	(235)
Recognised in profit or loss	(25)	(229)	254	-	-
As at 30 June 2023	(6)	(229)	-	-	(235)
Recognised in profit or loss	(6)	(1,075)	-	(745)	(1,826)
As at 30 June 2024	**(12)**	**(1,304)**	**-**	**(745)**	**(2,061)**

21. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The amounts of deferred tax assets (at gross) that are not recognised in the statements of financial position are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unused tax losses	**283,851**	267,776	**25,693**	15,078
Unabsorbed capital allowances	**43,679**	40,748	**5,543**	5,544
Unutilised tax allowances	**151,999**	151,999	**-**	-
Others	**3,436**	4,434	**-**	-
	482,965	464,957	**31,236**	20,622

Deferred tax assets (at gross) have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Company and certain subsidiaries companies can utilise the benefits therefrom.

Based on the current legislation, any unused tax losses shall be carried forward for a maximum period of ten consecutive years of assessment immediately following that year of assessment, whereas the unabsorbed capital allowances are allowed to be carried forward indefinitely.

The expiry of the unused tax losses is as follow:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Year of assessment ("YA")				
YA 2028	**87,038**	87,038	**13,471**	13,471
YA 2029	**41,909**	41,909	**-**	-
YA 2030	**42,701**	42,891	**822**	822
YA 2031	**57,549**	57,549	**-**	-
YA 2032	**33,671**	33,505	**785**	785
YA 2033	**10,368**	4,884	**-**	-
YA 2034	**10,615**	-	**10,615**	-
	283,851	267,776	**25,693**	15,078

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Non-trade				
Other receivables	**-**	8,457	**-**	-
Concession service receivable	**517,141**	552,486	**-**	-
	517,141	560,943	**-**	-
Current				
Trade				
External parties	**127,303**	158,931	**2,489**	1,189
Less: Impairment losses	**(9,161)**	(8,912)	**(1,189)**	(1,189)
	118,142	150,019	**1,300**	-
Concession service receivable	**35,345**	31,593	**-**	-
Amount owing from affiliates	**276**	752	**-**	-
Accrued income	**24,019**	14,822	**-**	-
	177,782	197,186	**1,300**	-

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

22. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-trade				
Amount owing from:				
Holding company	**250**	173	**-**	-
Subsidiaries	**-**	-	**431,976**	588,861
Associate	**1**	-	**-**	-
Affiliates	**6,220**	5,860	**259**	218
Less: Impairment losses	**(49)**	(49)	**(23,546)**	(135,883)
	6,422	5,984	**408,689**	453,196
Other receivables	**253,472**	35,235	**239,841**	10,865
Less: Impairment losses	**(242,271)**	(14,644)	**(239,265)**	(10,693)
	11,201	20,591	**576**	172
Deposits	**7,990**	8,342	**151**	238
Less: Impairment losses	**(22)**	(22)	**-**	-
	7,968	8,320	**151**	238
Prepayments	**3,521**	6,635	**30**	30
	29,112	41,530	**409,446**	453,636
	206,894	238,716	**410,746**	453,636
Total	**724,035**	799,659	**410,746**	453,636

Movements in the allowance for doubtful debt of trade receivables are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
As at 1 July 2023/2022	**8,912**	-	**1,189**	-
Additions	**7,466**	8,912	**-**	1,189
Reversal	**(64)**	-	**-**	-
Disposal of a subsidiary	**(7,153)**	-	**-**	-
As at 30 June	**9,161**	8,912	**1,189**	1,189

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

22. TRADE AND OTHER RECEIVABLES (CONT'D)

Movements in the allowance for doubtful debt of non-trade receivables are as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
As at 1 July 2023/2022	**14,715**	10,590	**146,576**	21,451
Addition	**230,144**	4,096	**124,783**	125,042
Written off	**-**	(62)	**(123)**	(8)
Reversal	**-**	-	**(7,576)**	-
Disposal of a subsidiary	**(1,668)**	-	**-**	-
Effect of movement in foreign exchange	**(849)**	91	**(849)**	91
As at 30 June	**242,342**	14,715	**262,811**	146,576

Trade receivables are non-interest bearing and normal trade credit terms granted by the Group and the Company ranging from 30 to 90 days (2023: 30 to 90 days) from date of invoice. Overdue balances are reviewed regularly by management of the Company.

Included in trade receivables from external parties are retention sums of the Group and of the Company amounting to RM77,714,000 and RM611,000 (2023: RM112,840,000 and RMNil) relating to construction work-in-progress.

Retention sums are unsecured, non-interest bearing and are expected to be collected within the operating cycle of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Within 1 year	**6,570**	5,169	**-**	-
Within 2 - 5 years	**71,144**	107,671	**611**	-
	77,714	112,840	**611**	-

Concession service receivable of the Group represents fair value of long-term receivable from the Government of Malaysia over a concession period of 21.5 years upon completion of the Sultan Ahmad Shah Medical Centre in 2016 under the Private Financing Initiative which granted the Group to undertake the design, build, lease and maintenance of the teaching hospital.

Accrued income represents unbilled revenue arising from supply of medical equipments and maintenance services, whereby goods have been delivered or services have been rendered. The normal credit terms granted to customer is 30 days (2023: 30 days) from date of invoice.

22. TRADE AND OTHER RECEIVABLES (CONT'D)

The amount due from holding company, subsidiaries, associate and affiliates are unsecured, non-interest bearing and repayable on demand.

Affiliates are companies, which have common directors and shareholders as that of the company.

23. CONSTRUCTION CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Construction contract assets	**141,107**	166,638	**6,796**	1,938
Less: Impairment	**(4,626)**	-	**(1,916)**	-
	136,481	166,638	**4,880**	1,938
Construction contract liabilities				
Deposit received	**(1,365)**	(750)	**-**	-

Movement in the allowance for impairment of construction contract assets are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Additions/As at 30 June	4,626	-	1,916	-

Amount relating to construction contracts are balances due from customers under construction contracts that arise when the Group and the Company receive payments from customers via progress billings. The Group or the Company will previously have recognised amount due from contract customers for any work performed. Any amount previously recognised as an amount due from contract customers is reclassified to trade receivables at the point at which it is invoiced to the customer.

The Group and the Company apply an ECL rate, which is computed based on the historical time value loss rate from the timing of repayment of trade receivables, adjusted by forward-looking information that is available without undue cost or effort, to calculate the loss allowances for amount due from contract customers. At the end of each reporting period, the Group and the Company review the ECL rate and re-measure the loss allowance amount.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

23. CONSTRUCTION CONTRACT ASSETS/(LIABILITIES) (CONT'D)

Included in additions to aggregate costs incurred to-date are the following amounts charged during the financial year:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest/Finance costs capitalised	**2,481**	2,078	**-**	-
Staff costs	**15,246**	21,970	**-**	-

Construction contract liabilities relate to deposits made by customers for the goods or services which is yet to transfer or perform by the Group as at the reporting date. The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

24. BIOLOGICAL ASSETS

	Group	
	2024	**2023**
	RM'000	**RM'000**
As at 1 July 2023/2022	**139**	660
Loss from changes in fair value	**-**	(521)
Disposal of a subsidiary	**(139)**	-
As at 30 June	**-**	139

In prior financial year, the unharvested fresh fruit bunches ("FFB") used in estimating fair value were 886 metric ton.

Management has considered FFB less than 15 days before harvesting in the valuation of fair value. FFB more than 15 days before harvesting are excluded from the valuation as their fair values are considered negligible. Costs to sell include harvesting costs at the point of harvest.

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy. A reasonable change in the key assumptions would not result in a material impact to the financial statements.

25. SHORT TERM INVESTMENTS

Short term investments are funds invested mainly in money market and fixed income instruments and are managed by investment management companies. The short-term investments are readily convertible to cash.

During the financial year, the Group has capitalised into the concession service assets the fair value loss and divided income from these financial assets amounting to RM159,000 (2023: RM467,000) and RM263,000 (2023: RM374,000) respectively.

26. CASH AND DEPOSITS

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Deposits placed with licensed banks	**161,079**	72,335	**1,637**	1,600
Housing development account	**34**	556	**-**	-
Cash and bank balances	**274,031**	173,784	**1,736**	1,597
	435,144	246,675	**3,373**	3,197

Included in deposits with licensed banks of the Group are deposits of RM52,576,000 (2023: RM59,323,000) which have been pledged to financial institutions as security for bank guarantee and credit facilities granted to the Group and restricted cash of RM167,106,000 (2023: RM145,157,000) which represent the sinking fund created pursuant to Concession Agreement for purposes of future assets replacement at the teaching hospital and other credit facilities granted to the Group.

Project accounts are bank accounts maintained in accordance with Section 7A of the Housing Development (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the Company upon the completion of the property development projects.

The deposits placed with licensed banks of the Group and of the Company bear interest at interest rates ranging from 2.00% to 3.10% (2023: 1.75% to 3.10%) and 2.25% to 2.65% (2023: 1.35% to 1.75%) per annum respectively with maturities of 30 to 365 days (2023: 30 to 365 days).

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

27. SHARE CAPITAL

	Group and Company			
	2024 Units	**2024 RM'000**	**2023 Units**	**2023 RM'000**
Issued and fully paid with no par value:				
As at 1 July 2023/2022	**598,097**	**197,536**	598,097	197,536
Issued during the financial year:				
- Private placement	**59,643**	**12,210**	-	-
- Exercised warrant	**-***	**-***	-	-
- Derecognised of warrant	**-**	**27,889**	-	-
As at 30 June	**657,740**	**237,635**	598,097	197,536

* Less than 100

On 16 October 2023, the Company issued 18,800,000 new ordinary shares at an issue price of RM0.21 per ordinary share pursuant to a Private Placement exercise to eligible investors for working capital purpose.

On 23 October 2023, the Company issued 30,000,000 new ordinary shares at an issue price of RM0.21 per ordinary share pursuant to a Private Placement exercise to eligible investors for working capital purpose.

On 31 October 2023, the Company issued 10,843,400 new ordinary shares at an issue price of RM0.181 per ordinary share pursuant to a Private Placement exercise to eligible investors for working capital purpose.

On 8 May 2024, 69 units of warrants were redeemed at the price of RM0.25.

On 13 May 2024, the remaining 116,201,883 units of warrants which were not exercised prior to the expired date, had lapsed.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

The total 657,741,147 (2023: 598,097,678) issued and fully paid-up ordinary shares as at 30 June 2024, 1,662,862 (2023: 1,662,862) shares are held as treasury shares by the Company. As at 30 June 2024, the number of outstanding ordinary shares in issue after the set off is therefore 656,078,285 (2023: 596,434,816) ordinary shares.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

28. TREASURY SHARES

	Group and Company	
	2024	**2023**
	RM'000	**RM'000**
Brought forward/Carried forward		
1,662,862 ordinary shares	**1,026**	1,026

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

There was no repurchase of the Company's shares during the financial year.

29. RESERVES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-distributable:				
Warrant reserve	**-**	27,889	**-**	27,889
Foreign exchange translation reserve	**18,674**	(6,272)	**3,006**	3,182
Employees' share scheme	**1,506**	1,506	**1,506**	1,506
Other reserve	**686**	686	**-**	-
	20,866	23,809	**4,512**	32,577
Distributable:				
Accumulated losses	**(57,943)**	(153,073)	**(241,266)**	(108,908)
	(37,077)	(129,264)	**(236,754)**	(76,331)

The movements in each category of the reserves are disclosed in the statements of changes in equity.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

29. RESERVES (CONT'D)

Warrant reserve

The warrants are constituted by a Deed Poll dated 18 March 2014. Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 14 May 2014 until 13 May 2024 at an adjusted exercise price of RM0.63 per share for every warrant held in accordance with the provisions in the Deed Poll. Any warrants not exercised at the date of maturity will lapse and cease to be valid for any purpose.

On 8 May 2024, 69 units of warrants were redeemed by the Company.

On 13 May 2024, the remaining 116,201,883 units of warrants which were not exercised prior to the expired date, had lapsed.

There was no issuance of new Warrants during the financial year.

Foreign exchange translation reserve

The foreign exchange translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Employees' Share Scheme ("ESS")

The ESS reserve represents the equity settled share options granted to eligible directors and employees. This reserve is made up of the cumulative value of services received from eligible directors and employees recorded on the grant date of share options. Details of ESS granted to eligible directors and employees are disclosed in Note 37.

Other reserve

Other reserve mainly represents the statutory reserve in accordance with Saudi Arabian Companies Law & Company's Article of Association, of which 10% of the annual net income is required to be transferred to statutory reserve until this reserve equals to 50% of the capital. This reserve is not available for dividend distribution.

30. LOANS AND BORROWINGS

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Non-current					
Term loans	a	**987,157**	1,166,251	**311,828**	236,790
Finance lease liabilities	b	**837**	1,078	**-**	-
Sukuk	c	**1,348,162**	1,432,639	**-**	-
Reimbursable land cost	d	**78,181**	-	**-**	-
Redeemable preference shares	e	**9,400**	3,000	**-**	-
		2,423,737	2,602,968	**311,828**	236,790
Current					
Term loans	a	**44,345**	222,614	**19,000**	26,000
Finance lease liabilities	b	**1,607**	3,329	**-**	12
Sukuk	c	**104,259**	18,315	**-**	-
Bank overdrafts	f	**79,578**	48,746	**-**	-
Revolving credit and Murabahah facilities	g	**111,717**	152,764	**-**	-
Bankers' acceptance	h	**3,200**	2,921	**-**	-
Invoice financing	i	**737**	-	**-**	-
Redeemable preference shares	e	**4,750**	459	**-**	-
		350,193	449,148	**19,000**	26,012
		2,773,930	3,052,116	**330,828**	262,802

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

30. LOANS AND BORROWINGS (CONT'D)

Note a

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Term loan - I	(i)	**-**	445,405	**-**	-
Term loan - II	(ii)	**611,385**	580,524	**-**	-
Term loan - III	(iii)	**169,525**	169,525	**169,525**	169,525
Term loan - IV	(iv)	**3,849**	4,646	**-**	-
Term loan - V	(v)	**72,940**	75,500	**-**	-
Term loan - VI	(vi)	**12,500**	20,000	**-**	-
Term loan - VII	(vii)	**73,120**	46,413	**73,120**	46,413
Term loan - VIII	(viii)	**88,183**	46,852	**88,183**	46,852
		1,031,502	1,388,865	**330,828**	262,790

The term loans of the Group comprise the followings:

(i) **Term loan I** is denominated in USD and bears interest ranging from Nil (2023: 3.75% to 5.78%) per annum, respectively. The term loan is repayable within a period of 108 months upon full disbursement.

In February 2022, the bank agreed to Restructure and Reschedule the loan, whereby the principal repayment will start in March 2023. The remaining tenure of the facility has been extended for another two years maturing in December 2027. The existing profit was paid/payable during the restructuring period.

(ii) **Term loan II** is a Government Support Loan which bears fixed interest at 4.00% (2023: 4.00%) per annum. The term loan is repayable over 35 years commencing in March 2021.

(iii) **Term loan III** bears interest at rates ranging from 7.03% to 7.18% (2023: 5.87% to 7.20%) per annum. The term loan is repayable over 6 years commencing August 2020 and secured by the shares held by the Company over its subsidiary. In May 2020, the bank has approved 6 months moratorium for both profit and principal payment which recommenced in November 2020 and February 2021 respectively.

In August 2021, the bank has granted Payment Assistance on principal payment which recommenced in May 2022. In March 2022, the bank agreed to Restructure and Reschedule the loan, whereby the principal repayment will commence in February 2023 and tenure is extended for another two years to mature in November 2029. The existing profit payment continue to be paid during the assistance and restructuring period.

In October 2023, the bank agreed to Restructure and Reschedule the loan, whereby the principal repayment will start in February 2025. The existing profit payment paid/payable during the restructuring period.

30. LOANS AND BORROWINGS (CONT'D)

Note a (cont'd)

(iv) **Term loan IV** bears interest at rates ranging from 5.32% to 5.64% (2023: 4.32% to 5.30%) per annum. The term loan is secured and supported by a corporate guarantee by the Company. The term loan is repayable over 8 years commencing January 2018. In June 2021, the bank had further granted extension of Principal Moratorium which recommenced in July 2022. The existing profit payment is continued to be paid during the moratorium period.

(v) **Term loan V** bears interest at rates at 8.31% (2023: 5.56%) per annum. The term loan is repayable in half-yearly instalments over 7 years commencing from August 2018. The bank granted Moratorium and restructuring on the extension on principal repayment to the Company in September 2020.

In August 2021, the bank agreed to restructure and reschedule the loan by extending the loan tenure by 4 years with lower monthly principal and interest payments. The principal payment recommenced in July 2022 whilst the existing interest payment continue to be paid during the extension period.

In October 2023, the bank has approved 11 months moratorium for principal payment which recommenced in July 2024 and further agreed restructure and reschedule the loan to 72 months from the instalment commencement date with a lower monthly repayment. The existing profit payment was paid during the moratorium period.

(vi) **Term loan VI** represents bankers' acceptance and invoice financing being converted into a short-term loan to be repaid over a period of 26 months. It bears an interest rate of 7.95% (2023: ranging from 6.95% to 7.95%) per annum.

(vii) **Term loan VII** bears interest at rates ranging from 8.90% to 9.15% (2023: 6.00% to 9.94%) per annum. The term loans are bullet repayment at the end of the tenure of term loans. In October 2023, the bank has approved moratorium for profit up to June 2024. The existing profit payment paid/payable during the restructuring period.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

30. LOANS AND BORROWINGS (CONT'D)

Note a (cont'd)

(viii) **Term loan VIII** bears interest at rates ranging from 8.50% to 8.75% (2023: 7.82% to 9.78%) per annum. The term loans are bullet repayment at the end of the tenure of term loans. In October 2023, the bank has approved moratorium for profit up to November 2024. The existing profit payment paid/payable during the restructuring period.

The above term loans are secured by way of:

(a) Against certain subsidiaries shares to be pledged;
(b) Against freehold land and building as disclosed in Note 11;
(c) Third party legal charge over Forlenza Land Sdn. Bhd.'s land titles, an affiliate company;
(d) Debenture incorporating fixed and floating charges;
(e) Against agency and security sharing agreement;
(f) Against assignment of receivables;
(g) Against debt services reserve account, Project Account and Housing Development Account;
(h) Against letter of comfort;
(i) Irrevocable and unconditional letter of undertaking given by the Company, a Director and a former Director; and
(j) Joint and several guarantee by certain Directors.

Note b

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Finance lease liabilities				
Current	**1,607**	3,329	**-**	12
Non-current	**837**	1,078	**-**	-
	2,444	4,407	**-**	12

The maturity analysis of finance lease liabilities is disclosed in Note 35 to the financial statements.

The interest rates implicit in these hire purchase arrangements range from 2.18% to 6.36% (2023: 2.18% to 6.36%) per annum.

30. LOANS AND BORROWINGS (CONT'D)

Note c

	Group	
	2024	**2023**
	RM'000	**RM'000**
Sukuk		
Non-current	**1,348,162**	1,432,639
Current	**104,259**	18,315
	1,452,421	1,450,954

The effective profit rate for Islamic Medium Term Notes is between 5.25% to 6.25% (2023: 5.25% to 6.25%) per annum. The facility is guaranteed by financial guarantors and is repayable over 11 years commencing year 2026. It is secured by subsidiary's shares, designated accounts of the subsidiary, proceeds of toll collection, income and other revenue arising from the Concession Agreement with the Government of Malaysia.

In December 2019, the Group had issued RM535,000,000 Sukuk Murabahah under the Sukuk Murabahah Programme in nominal value based on the Shariah principle of Murabahah. The Sukuk Murabahah has a tenure ranging from 3 to 12 years, at a profit rate of between 4.85% to 5.35% (2023: 4.85% to 5.35%) per annum, payable semi-annually. Proceeds raised from the issuance was advanced to the Company for its Shariah-compliant general working capital requirements and corporate purposes.

Note d

On 27 November 2023, the Government of Malaysia issue the Reimbursable Land Cost ("RLC") amounted to RM165 million. The RLC bears fixed interest at 1.00% (2023: Nil) per annum. The RLC is repayable over 15 years commencing year 2026.

Note e

	Group	
	2024	**2023**
	RM'000	**RM'000**
Redeemable preference shares		
Non-current	**9,400**	3,000
Current	**4,750**	459
	14,150	3,459

30. LOANS AND BORROWINGS (CONT'D)

Note e (cont'd)

On 15 June 2022, the Group executed the following:

- Subscription Agreement with Naval Elite Limited ("NEL") ('NEL Subscription Agreement') for the issuance and allotment of up to 3,000,000 CRPS and 1,000,000 RPS A; and
- Subscription Agreement with Le Mercier's Capital Pte Ltd ("LMC") ("LMC Subscription Agreement") for the issuance and allotment of 1,059,290 RPS B.

As of 30 June 2022, the Group has issued 1,605,596 CRPS, 1,000,000 RPS A and 1,059,290 RPS B at RM1 each.

On 24 April 2024, the Group executed the following:

- Subscription Agreement with Naval Elite Limited ("NEL") ("NEL Subscription Agreement") for the issuance and allotment of up to 2,000,000 RPS C.

On 3 May 2024, the Group executed the following:

- Subscription Agreement with Naval Elite Limited ("NEL") ("NEL Subscription Agreement") for the issuance and allotment of up to 9,150,000 CRPS B.

The salient features of the CRPS and RPS (including RPS A, B and C) are as follows:

(a) The CRPS and RPS shall rank pari passu among themselves.

(b) The right to receive fixed cumulative dividends at the rate of 5% per annum on a daily basis calculated based on the Issue Price of the CRPS, RPS B and CRPS B and 15% per annum on daily basis calculated based on the Issue Price of the RPS C.

30. LOANS AND BORROWINGS (CONT'D)

Note e (cont'd)

The salient features of the CRPS and RPS (including RPS A, B and C) are as follows (cont'd):

(c) The proceeds from the CRPS shall be used by the Group to fund the dredging of the channel, turning basin and wharf at Tok Bali Supply Base.

The proceeds from the RPS A shall be used by the Group to pay for the completion of a warehouse located at Tok Bali Supply Base.

The proceeds from the RPS B shall be used by the Group to settle or set off all outstanding liabilities amounting to RM1,059,290 due to Le Mercier's Capital Pte Ltd.

The proceeds from the RPS C shall be used by the Subscriber, TBSB and/or the company, as the case may be, to pay for the dredging works within the wharf, turning basin and navigation channel of Tok Bali Supply Base, charter payment for a tug from a Tug Agent, payment to the Dredger and purchase of fuel for the Dredgers.

The proceeds from the CRPS B shall be used by the Subscriber, TBSB and/or the company, as the case may be, to pay for the payment to the Dredgers, purchase of fuel and lubricants for the Dredgers and construction of the warehouse office.

(d) Entitled to repayment of capital on a winding up or other returns of capital in priority to any payment to the holders of all other ordinary shares, preference shares and other securities of the Group.

(e) Shall carry no right to receive notice of or to attend or vote at any general meeting of the Company, save as the terms and conditions set out in the Subscription Agreements.

Shall not have the right to convert all or part of the outstanding RPS A, RPS B and RPS C then issued to ordinary shares.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

30. LOANS AND BORROWINGS (CONT'D)

Note e (cont'd)

The salient features of the CRPS and RPS (including RPS A, B and C) are as follows (cont'd):

(f) The Company shall redeem the relevant CRPS and RPS in issue at the Redemption Dates or clause stated below:

CRPS	CRPS B	RPS A	RPS B	RPS C
Redeemable if the holder of the relevant CRPS agrees that the Company has achieved the Liquidity Event within eighteen (18) months after the date of issue of the first tranche of the CRPS	Redeemable if the holder of the relevant CRPS B agrees that the Company shall no less than two (2) months prior to the expiration of sixty (60) months from the issue of the first tranche of the CRPS B issue a written notice to the holder of the relevant CRPS B	31 July 2022 - RM150,000 31 August 2022 - RM150,000 30 September 2022 - RM150,000 31 October 2022 - RM150,000 30 November 2022 - RM150,000 31 December 2022 - RM150,000 31 January 2023 - RM100,000	28 February 2023 - RM150,000 31 March 2023 - RM150,000 30 April 2023 - RM150,000 31 May 2023 - RM150,000 30 June 2023 - RM150,000 31 July 2023 - RM150,000 31 August 2023 - RM100,000 30 September 2023 - RM59,290	31 August 2024 - RM100,000 30 September 2024 - RM100,000 31 October 2024 - RM100,000 30 November 2024 - RM150,000 31 December 2024 - RM150,000 31 January 2025 - RM150,000 28 February 2025 - RM200,000 31 March 2025 - RM200,000 30 April 2025 - RM200,000 30 June 2025 - RM200,000 31 July 2025 - RM200,000 31 August 2025 - RM50,000

30. LOANS AND BORROWINGS (CONT'D)

Note f

The bank overdraft facilities are repayable on demand and bear interest at rates ranging from 4.85% to 8.06% (2023: 6.82% to 7.95%) per annum. Bank overdraft facilities are secured by freehold land and building and deposits placed with licensed banks as disclosed in Note 11 and Note 26 respectively; and a corporate guarantee from the Company.

Note g

The revolving credits and Murabahah facilities are repayable on demand and bear profit at rates ranging from 4.24% to 8.32% (2023: 4.27% to 8.32%) per annum. These facilities are secured by corporate guarantee from the Company and assignment of projects proceeds of a subsidiary.

Note h

Bankers' acceptance facilities are repayable within 120 days and bear rates ranging from 4.45% to 4.73% (2023: 3.79% to 4.75%) per annum. These facilities are secured by corporate guarantee from the Company.

Note i

Invoice financing facilities are repayable within 120 days and bear rates ranging from 4.60% to 4.81% (2023: Nil) per annum. These facilities are secured by corporate guarantee from the Company.

31. LEASE LIABILITIES

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Non-current	**9,684**	13,656	**66,120**	66,809
Current	**4,126**	3,667	**690**	660
	13,810	17,323	**66,810**	67,469

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

31. LEASE LIABILITIES (CONT'D)

Set out below are the carrying amount of lease liabilities and the movements during the financial year:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
As at 1 July 2023/2022	**17,323**	9,767	**67,469**	73,387
Remeasurement	**-**	-	**-**	(5,286)
Additions	**236**	13,906	**-**	-
Finance cost on lease liabilities	**790**	875	**2,922**	2,950
Repayment of lease liabilities	**(4,539)**	(5,194)	**(3,581)**	(3,582)
Lease modification	**-**	(2,011)	**-**	-
Reclass to other payable and accrual	**-**	(20)	**-**	-
As at 30 June	**13,810**	17,323	**66,810**	67,469

The maturity analysis of lease liabilities is disclosed in Note 35 to the financial statements.

The Group and the Company applied the incremental borrowing rates to the lease liabilities recognised ranging from 3.00% to 5.05% and 4.35% (2023: 3.00% to 5.05% and 4.35%) per annum.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

32. EMPLOYEE BENEFITS

Retirement benefits

	Group	
	2024	**2023**
	RM'000	**RM'000**
As at 1 July 2023/2022	**7,476**	7,476
Disposal of a subsidiary	**(7,476)**	-
As at 30 June	**-**	7,476

The Group's subsidiary in Indonesia makes provision for non-contributory defined benefit plan that provides pension benefits for employees upon retirement, death, disability and voluntary resignation as required under Law No.11/2020 (the "Omnibus Law") (2023: Law No. 13/2003 (the "Labor Law")) of the Republic of Indonesia. The plan entitles an employee to receive payment according to their years of service.

The defined benefit plan exposes the Group to actuarial risks, such as longevity risk, currency risk and interest rate risk.

Movement in net defined benefit obligations

	Group	
	2024	**2023**
	RM'000	**RM'000**
As at 1 July 2023/2022	**7,476**	6,677
Included in profit or loss		
Current service cost	**-**	448
Included in other comprehensive income		
Remeasurement gain:		
Disposal of a subsidiary	**(7,476)**	-
Effect of movements in exchange rate	**-**	351
As at 30 June	**-**	7,476

Post-employee benefits obligations are calculated by an independent actuary using the Projected Unit Credit method.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

32. EMPLOYEE BENEFITS (CONT'D)

Movement in net defined benefit obligations (cont'd)

The key assumptions used are as follows:

	2024	2023
Discount rate	-	7.75% per annum
Future salary/wage increment	-	5.00% per annum
Mortality rate	-	100% of TMI4
Morbidity rate	-	5% of TMI4
Executive	-	5% per year until age 34 then decrease linearly and become 0% at age 55
Non-executive	-	10% per year until age 34 then decrease linearly and become 0% at age 55

	2024	2023
Proportion of early retirement take-up	-	N/A
Proportion of normal retirement take-up	-	100%
Normal retirement age	-	55 years

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

33. TRADE AND OTHER PAYABLES

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Non-current					
Non-trade					
Accruals and other payables	a	**5,748**	-	**5,748**	-
Deferred income	b	**301,679**	214,107	**-**	-
		307,427	214,107	**5,748**	-
Current					
Trade					
External parties	c	**515,261**	571,398	**4,713**	2,243
Advance payments received	d	**10,000**	10,000	**-**	-
		525,261	581,398	**4,713**	2,243
Non-trade					
Amount due to:					
Director	e	**1,858**	1,754	**-**	-
Holding company	e	**8,198**	9,539	**187**	194
Affiliates	e	**4,789**	1,398	**-**	-
Subsidiaries	e	**-**	-	**849,146**	915,279
Associate	e	**6**	53	**-**	-
		14,851	12,744	**849,333**	915,473
Deferred income	b	**164,193**	140,269	**-**	-
Accruals and other payables	a	**185,011**	381,440	**63,761**	28,410
Sales and service tax payable		**653**	927	**-**	-
		364,708	535,380	**913,094**	943,883
		889,969	1,116,778	**917,807**	946,126
Total		**1,197,396**	1,330,885	**923,555**	946,126

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

33. TRADE AND OTHER PAYABLES (CONT'D)

Note a

Included in accruals and other payables of the Group's are interest on borrowings and bank guarantees fees amounting to RM39,510,000 and RM51,488,000 respectively (2023: RM14,885,000 and RM30,893,000) respectively.

Note b

The Group received a loan from the Malaysian Government as per Note 30(a)(iii) and Note 30(d) at an interest rate lower than the prevailing market rate. Using the prevailing market rate, the loan amount is adjusted to its fair value and the difference is treated as deferred income amounted to RM297,497,000 (2023: RM209,748,000).

Deferred income amounted to RM164,016,000 (2023: RM140,092,000) is a maintenance reserve fund which represents sinking fund created pursuant to Concession Agreement for purposes of future assets replacement at the teaching hospital.

The deferred revenue amounted to RM4,359,000 (2023: RM4,536,000) arises as a result of the government grant received in July 2018. The grant is to reimburse the acquired property, plant and equipment in prior years and therefore is recognised to profit or loss over 30 years.

Note c

The normal credit term granted by suppliers of the Group and of the Company range from 30 to 90 days (2023: 30 to 90 days).

Included in trade payables of the Group are:

(i) retention sums of RM170,523,000 (2023: RM213,658,000).
(ii) liquidated ascertain damages of RMNil (2023: RM7,000,000).
(iii) amount due to affiliates as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Amount due to a subsidiary of Chuan Huat Resources Berhad, a company in which Tan Sri Dato' Sri Haji Wan Zaki bin Haji Wan Muda has a substantial financial interest and is also a director:		
- Chuan Huat Industrial Marketing Sdn. Bhd.	**3,584**	4,025

33. TRADE AND OTHER PAYABLES (CONT'D)

Note d

Advance payments received are in respect of the Group's and the Company's construction contracts. These advances are to be set off against the progress billings on the related contracts.

Note e

Affiliates are companies, which have common directors and shareholders of the Company and its subsidiaries. The amount is unsecured, interest-free and subject to normal credit terms.

These amounts are unsecured, interest-free and repayable on demand.

34. OPERATING SEGMENTS

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different business strategies. For each of the strategic business units, the Group Managing Director (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

(i)	Engineering and Construction	-	civil and structural works
(ii)	Concession	-	concession and assets managements
(iii)	Oil and Gas	-	dealing in marine fuels, lubricants, petroleum based products and logistic management and vessel related services
(iv)	Plantation	-	production of crude palm oil and kernel
(v)	Property	-	property development, hotel operation and facilities management

Other non-reportable segments comprise investment holding and provision of management services.

Inter-segment transactions, if any, are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

34. OPERATING SEGMENTS (CONT'D)

Performance is measured based on segment profit before tax, interest, depreciation and amortisation as included in the internal management reports that are reviewed by the Group Managing Director (the chief operating decision maker). Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill and intangible assets) of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment total liability is used to measure the gearing ratio of each segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, prepaid land lease, land held for development and intangible assets other than goodwill.

Geographical segments

The Group operates in four principal geographical areas of the world:

(i) Malaysia - civil and structural works, concession assets management, dealing in marine fuels, lubricants, petroleum-based products, logistic management, vessel related services, property development, investment holding and provision of management services
(ii) Republic of Indonesia - production of crude palm oil and kernel
(iii) India (Branch office) - civil and structural works
(iv) Kingdom of Saudi Arabia - civil and structural works

34. OPERATING SEGMENTS (CONT'D)

		Discontinued	Continuing							
2024	**Note**	**Plantation RM'000**	**Engineering and Construction RM'000**	**Concession RM'000**	**Oil and Gas RM'000**	**Plantation RM'000**	**Property RM'000**	**Other Operations RM'000**	**Eliminations RM'000**	**Consolidated RM'000**
Revenue										
External revenue		-	322,492	72,216	88,353	-	12,409	-	-	495,470
Inter-segment revenue		-	-	-	-	-	-	44,507	(44,507)	-
Total revenue		-	322,492	72,216	88,353	-	12,409	44,507	(44,507)	495,470
Results										
Operating results	(ii)	(4,121)	(46,581)	(2,791)	(1,682)	1,373	552	(106,138)	302,673	143,285
Interest income		-	848	50,681	8	-	36	37	-	51,610
Interest expense		(18,559)	(35,771)	(23,251)	(8,611)	-	(690)	-	3,195	(83,687)
Share of loss of associates, net of tax		-	-	-	-	-	-	-	(1,471)	(1,471)
(Loss)/Profit before tax		(22,680)	(81,504)	24,639	(10,285)	1,373	(102)	(106,101)	304,397	109,737
Tax expense										(25,936)
Profit for the financial year										83,801
Other segment information										
Additions to non-current assets	(iii)	-	79	406	3,125	-	3,516	-	-	7,126
Other non-cash income/ (expense)	(iv)	-	10,339	(48,407)	2,117	-	-	233,036	(423,515)	(226,430)
Depreciation and amortisation of non-current assets		10,213	200	150	14,437	-	793	2,155	-	27,948

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

34. OPERATING SEGMENTS (CONT'D)

	Continuing							
	Engineering and Construction RM'000	Concession RM'000	Oil and Gas RM'000	Plantation RM'000	Property RM'000	Other Operations RM'000	Eliminations RM'000	Consolidated RM'000
2024 (cont'd)								
Assets								
Segment assets	2,718,563	566,921	371,336	1	77,059	616,115	-	4,349,995
Investment in associate	-	-	-	-	-	2,640	(1,471)	1,169
Deferred tax assets	1,395	-	-	-	-	2,061	-	3,456
Tax recoverable	1	-	1,942	-	19	355	-	2,317
Total assets	2,719,959	566,921	373,278	1	77,078	621,171	(1,471)	4,356,937
Liabilities								
Segment liabilities	106,829	197,534	47,419	9	10,374	850,406	-	1,212,571
Loans and borrowings	1,895,075	10,236	100,477	-	3,849	764,293	-	2,773,930
Deferred tax liabilities	40,541	98,260	2,979	-	-	-	-	141,780
Tax liabilities	13,994	22,823	661	-	108	-	-	37,586
Total liabilities	2,056,439	328,853	151,536	9	14,331	1,614,699	-	4,165,867

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

34. OPERATING SEGMENTS (CONT'D)

2023	Note	Discontinued Plantation RM'000	Continuing Engineering and Construction RM'000	Concession RM'000	Oil and Gas RM'000	Plantation RM'000	Property RM'000	Other Operations RM'000	Eliminations RM'000	Consolidated RM'000
Revenue										
External revenue		8,887	235,741	56,232	71,648	-	7,936	-	-	380,444
Inter-segment revenue		-	108,971	-	9,087	-	-	42,653	(160,711)	-
Total revenue		8,887	344,712	56,232	80,735	-	7,936	42,653	(160,711)	380,444
Results										
Operating results	(ii)	(61,049)	21,314	7,291	3,866	632	(4,982)	(1,592)	-	(34,520)
Interest income		-	925	52,820	6	-	12	-	-	53,763
Interest expense		(31,964)	(26,430)	(24,581)	(7,814)	-	820	-	-	(89,969)
Share of loss of associates, net of tax		-	-	-	-	-	-	-	(162)	(162)
(Loss)/Profit before tax		(93,013)	(4,191)	35,530	(3,942)	632	(4,150)	(1,592)	(162)	(70,888)
Tax expense										(32,999)
Loss for the financial year										(103,887)
Other segment information										
Additions to non-current assets	(iii)	591	58	-	27,548	-	2,870	-	-	31,067
Other non-cash income/ (expense)	(iv)	6,803	2,292	(51,483)	(250)	-	27,529	205	-	(14,904)
Depreciation and amortisation of non-current assets		22,562	6,217	115	12,420	-	793	1,658	-	43,765

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

34. OPERATING SEGMENTS (CONT'D)

	Discontinued	Continuing							
2023 (cont'd)	**Plantation RM'000**	**Engineering and Construction RM'000**	**Concession RM'000**	**Oil and Gas RM'000**	**Plantation RM'000**	**Property RM'000**	**Other Operations RM'000**	**Eliminations RM'000**	**Consolidated RM'000**
Assets									
Segment assets	433,355	2,972,564	749,171	271,396	3,307	76,647	107,808	-	4,614,248
Investment in associate	-	-	-	-	-	-	2,640	-	2,640
Deferred tax assets	5,608	681	-	-	8,385	-	235	-	14,909
Tax recoverable	-	154	-	1,949	1	96	357	-	2,557
Total assets	438,963	2,973,399	749,171	273,345	11,693	76,743	111,040	-	4,634,354
Liabilities									
Segment liabilities	183,064	914,646	160,715	49,098	1,646	9,840	37,425	-	1,356,434
Loans and borrowings	445,460	1,806,690	10,335	89,242	-	4,646	695,743	-	3,052,116
Deferred tax liabilities	-	44,675	100,593	6,456	-	-	-	-	151,724
Tax liabilities	-	9,007	16,811	5	-	-	-	-	25,823
Total liabilities	628,524	2,775,018	288,454	144,801	1,646	14,486	733,168	-	4,586,097

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

34. OPERATING SEGMENTS (CONT'D)

Major segment by geographical area

	Malaysia RM'000	Republic of Indonesia RM'000	India RM'000	Kingdom of Saudi Arabia RM'000	Eliminations RM'000	Consolidated RM'000
2024						
Total revenue from external customers	495,470	-	-	-	-	495,470
Total assets	4,354,667	-	2,259	11	-	4,356,937
Total liabilities	4,147,876	-	7,188	10,803	-	4,165,867
Property, plant and equipment	339,240	-	-	-	-	339,240
Right-of-use assets	14,076	-	-	-	-	14,076
Investment properties	9,535	-	-	-	-	9,535
Intangible assets	50,180	-	-	-	-	50,180
2023						
Total revenue from external customers	371,557	8,887	-	-	-	380,444
Total assets	4,195,795	436,797	1,751	11	-	4,634,354
Total liabilities	3,929,318	629,967	7,233	19,579	-	4,586,097
Property, plant and equipment	343,556	373,252	-	-	-	716,808
Right-of-use assets	19,965	13,041	-	-	-	33,006
Investment properties	7,407	-	-	-	-	7,407
Intangible assets	51,677	1	-	-	-	51,678

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

34. OPERATING SEGMENTS (CONT'D)

(i) Inter-segment revenue is eliminated on consolidation.
Inter-segment assets and liabilities are eliminated on consolidation.

(ii) Operating results

	Group	
	2024	**2023**
	RM'000	**RM'000**
Operating results	**143,285**	(34,520)
Finance income	**51,610**	53,763
Finance costs	**(83,687)**	(89,969)
Share of loss of associate	**(1,471)**	(162)
	109,737	(70,888)

(iii) Additions to non-current assets other than financial instruments and deferred tax assets consist of the following items:

		Group	
	Note	**2024**	**2023**
		RM'000	**RM'000**
Property, plant and equipment	11	**2,580**	13,780
Right-of-use assets	12	**1,136**	13,906
Investment properties	13	**2,319**	2,849
Inventories - Land held for development	16.1	**1,091**	532
		7,126	31,067

34. OPERATING SEGMENTS (CONT'D)

(iv) Other non-cash expenses/(income) consist of the following items as presented in the respective notes:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Amortisation of transaction costs	**523**	205
Accretion of fair value on non-current receivables	**(48,407)**	(51,000)
Bad debts written off	**2,599**	62
Employee retirement benefits provision	**-**	448
Fair value loss arising from biological assets	**-**	521
Fair value loss on financial assets	**-**	48
Gain on disposal of property, plant and equipment, net	**(1,645)**	(1,833)
Gain on lease modification of right-of-use assets	**-**	(2,390)
Grant income recognised	**(177)**	(177)
Gain on disposal of a subsidiary	**(423,515)**	-
Impairment loss on financial assets	**237,546**	13,008
Impairment loss on non-financial assets	**4,626**	593
Impairment loss on property, plant and equipment	**2,273**	-
Inventories written off	**17**	5,191
Inventories written down	**-**	124
Land held for development written off	**-**	5,122
Property, plant and equipment written off	**4**	-
Reversal of development cost	**-**	15,174
Loss on foreign exchange - unrealised	**(274)**	-
	(226,430)	(14,904)

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Capital risk management

The table below provides an analysis of the various categories of financial instruments:

(a) Financial assets measured at amortised cost;
(b) Financial assets designated at fair value through profit or loss ("FVTPL"); and
(c) Other financial liabilities measured at amortised cost.

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Financial assets				
At amortised cost:				
Trade and other receivables, excluding prepayments	**720,514**	793,024	**410,716**	453,606
Cash and deposits	**435,144**	246,675	**3,373**	3,197
At FVTPL:				
Club membership and unquoted shares	**68**	68	**68**	68
Short term investments	**15,390**	71,488	**-**	-
Financial liabilities				
At amortised cost:				
Loans and borrowings	**2,773,930**	3,052,116	**330,828**	262,802
Trade and other payables, excluding deferred income	**1,018,368**	1,175,330	**923,555**	946,126

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, currency risk and interest rate risk. The Group and the Company have taken measures to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management.

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

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its trade and other receivables, construction contract assets, short term investments and cash and deposits.

Receivables and construction contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

Exposure to credit risk, credit quality and collateral

Generally, trade and other receivables and construction contract assets are written off if the Directors deem them uncollectable. As at the end of the reporting period, the Group's and the Company's maximum exposure to credit risk arising from trade and other receivables and construction contract assets is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that trade receivables and construction contract assets that are neither past due nor impaired are stated at their realisable values. A significant portion of these trade receivables and construction contract assets are regular customers that have been transacting with the Group and the Company. On-going credit evaluation is performed on the financial condition of the trade receivables and construction contract assets. The Group and the Company use ageing analysis to monitor the credit quality of the trade receivables and construction contract assets.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(a) Credit risk (cont'd)

Receivables and construction contract assets (cont'd)

Impairment losses

The Group and the Company apply a simplified approach in calculating loss allowances for trade receivables and construction contract assets at an amount equal to lifetime ECL. The Group and the Company estimate the loss allowance on trade receivables and construction contract assets by applying an ECL rate at the end of each reporting period. The calculation of ECL rates were segmented according to potential exposures based on common credit risk characteristics such as nature of business, type of projects undertaking and selection of similar type of customers.

The Group and the Company assessed the ECL on trade receivables and construction contract assets individually. The Group and the Company write off a trade receivable and construction contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables and construction contract assets are over three years past due, whichever occurs earlier. None of the trade receivables and construction contract assets that have been written off is subject to enforcement activities.

In addition, the Group and the Company have determined that, based on the assessments undertaken to date on the past default experience and reputation of the debtors, the Group and the Company regard the trade receivables and construction contract assets to have low credit risk.

As at the end of the reporting period, there was no indication that the construction contract assets are not recoverable other than those disclosed in Note 23.

The Group and the Company maintain an ageing analysis in respect of trade receivables only.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(a) Credit risk (cont'd)

Receivables and construction contract assets (cont'd)

Impairment losses (cont'd)

The ageing of trade receivables (external parties) as at the end of the reporting period was:

	Gross RM'000	Individual impairment RM'000	Net RM'000
Group			
2024			
Not past due	**69,813**	**-**	**69,813**
Past due 1 - 30 days	**3,868**	**(24)**	**3,844**
Past due 31 - 120 days	**10,321**	**(131)**	**10,190**
Past due more than 120 days	**43,301**	**(9,006)**	**34,295**
	127,303	**(9,161)**	**118,142**
2023			
Not past due	122,290	(18)	122,272
Past due 1 - 30 days	5,340	(73)	5,267
Past due 31 - 120 days	1,534	(41)	1,493
Past due more than 120 days	29,767	(8,780)	20,987
	158,931	(8,912)	150,019
Company			
2024			
Not past due	**988**	**-**	**988**
Past due 1 - 30 days	**169**	**-**	**169**
Past due 31 - 120 days	**-**	**-**	**-**
Past due more than 120 days	**1,332**	**(1,189)**	**143**
	2,489	**(1,189)**	**1,300**
2023			
Not past due	-	-	-
Past due 1 - 30 days	-	-	-
Past due 31 - 120 days	-	-	-
Past due more than 120 days	1,189	(1,189)	-
	1,189	(1,189)	-

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(a) Credit risk (cont'd)

Receivables and construction contract assets (cont'd)

Impairment losses (cont'd)

Receivables that are individually determined to be credit impaired at the end of the reporting period relate to debtors who are in significant financial difficulties and had defaulted on payments. As at the end of the reporting period, there is no allowance made for impairment losses of trade receivables and construction contract assets for the Group and the Company.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and suppliers. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM2,144,785,000 (2023: RM2,785,855,000), represented by the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees have not been recognised in the financial statements since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies.

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(a) Credit risk (cont'd)

Inter-company balances

Risk management objectives, policies and processes for managing the risk

Amounts owing from holding company, joint venture, associate and affiliates are classified as amortised cost in the Group's and the Company's financial statements because the Group's and the Company's business model is to hold and collect the contractual cash flows and those cash flows are 'solely payments of principal and interest' ("SPPI").

The Company makes payment on behalf of and/or provides advances to its ultimate holding company, subsidiaries, associate, joint ventures and affiliates. The Company monitors the results of the subsidiaries regularly except for the amounts due from ultimate holding company, associate and affiliates which are not material.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the amounts due from ultimate holding company, subsidiaries, associate, joint venture and affiliates are not recoverable other than those disclosed in Note 22.

Other receivables

Risk management objectives, policies and processes for managing the risk

As at the end of each reporting period, the Group and the Company measure ECL through loss allowance at an amount equal to 12 month-ECL if credit risk on a financial asset or a group of financial assets has not increased significantly since initial recognition. For all other financial assets, a loss allowance at an amount equal to lifetime ECL is required.

Impairment losses

Other receivables that are individually determined to be credit impaired at the end of the reporting period relate to receivables who are in significant financial difficulties and had defaulted on payments. Adequate allowance for doubtful debts has been provided.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligation due to shortage of funds. To mitigate liquidity risk, management measures and forecasts its cash commitments, monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's and the Company's operations and investment activities. In additions, the Group and the Company strive to maintain available banking facilities at a reasonable level against its overall debt position.

As at 30 June 2024, the Group and the Company have net current liabilities of RM475,853,000 (2023: RM833,420,000) and RM518,141,000 (2023: RM513,670,000) respectively. The table below sets out details of unutilised banking facilities that the Group has at its disposal to further reduce its liquidity risk.

As at the end of the reporting period, the unutilised credit facilities of the Group consisted of the following:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Secured bank overdraft facilities		
- Amount used	**79,578**	48,746
- Amount unused	**69,184**	-
	148,762	48,746
Secured term loan facilities		
- Amount used	**1,031,502**	1,388,865
- Amount unused	**16,880**	86,735
	1,048,382	1,475,600
Secured trade facilities		
- Amount used	**115,653**	155,685
- Amount unused	**101,614**	90,699
	217,267	246,384

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

As at the end of the reporting period, the unutilised credit facilities of the Group consisted of the following (cont'd):

	Company	
	2024	**2023**
	RM'000	**RM'000**
Secured term loan facilities		
- Amount used	**330,828**	262,790
- Amount unused	**16,880**	86,735
	347,708	349,525

During the financial year, the Group monitors its repayment capabilities of its loan. Certain of its banking facilities, where required, will be restructured taking into consideration the Group's cash flow position and projections. The Group remains in constant communications with and receive support from the various financial institutions to help the Group to manage its financial obligations. Where necessary, the financial institutions have provided the necessary support to approve or consider deferment, or the structuring of payments due to the financial institutions to better match the expected cash flows of the Group. In July 2024, the Group had obtained approval for additional Government Support Loan Siri 2 (GSL 2) from the Government of Malaysia amounting to RM135 million. The GSL 2 from the government is for the additional cost incurred for the highway concession project (EKVE). The GSL 2 is now in the final stage of finalising the documentation and fulfilling the conditions precedent. This loan will be utilised to meet the Groups' short-term obligations and working capital.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	Carrying amount RM'000	Contractual interest rate/ coupon	Contractual cash flows RM'000	Under 1 year RM'000	2 to 5 years RM'000	More than 5 years RM'000
Financial liabilities						
2024						
Trade and other payables	**1,018,368**	**-**	**1,018,368**	**715,123**	**5,748**	**297,497**
Bank overdrafts	**79,578**	**4.85% - 8.06%**	**79,578**	**79,578**	**-**	**-**
Bankers' acceptance	**3,200**	**4.45% - 4.73%**	**3,200**	**3,200**	**-**	**-**
Invoice financing	**737**	**4.60% - 4.81%**	**737**	**737**	**-**	**-**
Lease liabilities	**13,810**	**3.00% - 5.05%**	**157,509**	**7,747**	**24,742**	**125,020**
Finance lease liabilities	**2,444**	**2.18% - 6.36%**	**2,575**	**1,664**	**911**	**-**
Revolving credit and Murabahah facilities	**111,717**	**4.24% - 8.32%**	**111,717**	**111,717**	**-**	**-**
Term loans and Sukuk	**2,483,923**	**4.00% - 9.15%**	**2,505,977**	**240,837**	**1,082,815**	**1,182,325**
Reimbursed land cost	**78,181**	**1%**	**78,181**	**78,181**	**-**	**-**
Redeemable preference shares	**14,150**	**5% - 15%**	**16,695**	**5,493**	**11,202**	**-**
	3,806,108		**3,974,537**	**1,244,277**	**1,125,418**	**1,604,842**
Financial liabilities						
2023						
Trade and other payables	1,175,330	-	1,175,330	965,582	-	209,748
Bank overdrafts	48,746	6.82% - 7.95%	48,746	48,746	-	-
Bankers' acceptance and invoice financing	2,921	3.79% - 4.75%	2,921	2,921	-	-
Lease liabilities	17,323	3.00% - 5.05%	20,954	4,456	11,485	5,013
Finance lease liabilities	4,407	2.18% - 6.36%	4,597	3,506	1,091	-
Revolving credit and Murabahah facilities	152,764	4.27% - 8.32%	152,764	152,764	-	-
Term loans and Sukuk	2,839,819	4.15% - 9.94%	5,252,296	439,497	1,410,185	3,402,614
Redeemable preference shares	3,459	5%	3,609	459	3,150	-
	4,244,769		6,661,217	1,617,931	1,425,911	3,617,375

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments (cont'd).

Company	Carrying amount RM'000	Contractual interest rate/ coupon	Contractual cash flows RM'000	Under 1 year RM'000	2 to 5 years RM'000	More than 5 years RM'000
Financial liabilities						
2024						
Trade and other payables	**923,555**	**-**	**923,555**	**917,807**	**5,748**	**-**
Lease liabilities	**66,810**	**4.35%**	**137,598**	**3,582**	**14,326**	**119,690**
Term loans	**330,828**	**7.03% - 9.15%**	**401,794**	**45,403**	**336,425**	**19,966**
	1,321,193		**1,462,947**	**966,792**	**356,499**	**139,656**
Financial guarantee*	**2,144,785**		**2,144,785**	**2,144,785**	**-**	**-**

* This exposure is included in liquidity risk for illustration only.

Company	Carrying amount RM'000	Contractual interest rate/ coupon	Contractual cash flows RM'000	Under 1 year RM'000	2 to 5 years RM'000	More than 5 years RM'000
Financial liabilities						
2023						
Trade and other payables	946,126	-	946,126	946,126	-	-
Lease liabilities	67,469	4.35%	141,180	3,581	14,327	123,272
Finance lease liabilities	12	2.92%	12	12	-	-
Term loans	262,790	5.87% - 11.50%	366,551	47,465	248,075	71,011
	1,276,397		1,453,869	997,184	262,402	194,283
Financial guarantee*	2,788,505		2,788,505	2,788,505	-	-

* This exposure is included in liquidity risk for illustration only.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(b) Liquidity risk (cont'd)

The above amounts reflect the undiscounted cash flows, which may differ from the carrying values of the financial liabilities at the reporting date.

(c) Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily US Dollar ("USD") and Indonesia Rupiah ("IDR").

Risk management objectives, policies and processes for managing the risk

The Group presently does not hedge its foreign currency exposures. Nevertheless, the management regularly monitors its exposure and keep this policy under review.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency other than the functional currency of Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Group	
	2024 RM'000	**2023 RM'000**
US Dollar - loans and borrowings	**-**	(445,405)
IDR - Other payables	**(18,664)**	-
Exposures in the statements of financial position	**(18,664)**	(445,405)

Currency risk sensitivity analysis

A 10% (2023: 10%) strengthening of RM against the following currency at the end of the reporting period would have increased/(decreased) equity and profit or loss/equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(c) Currency risk (cont'd)

Currency risk sensitivity analysis (cont'd)

	Group	
	2024	**2023**
	Profit or loss/ Equity	**Profit or loss/ Equity**
	RM'000	**RM'000**
USD	**-**	44,541
IDR	**1,866**	-

A 10% (2023: 10%) weakening of RM against the above currencies at the end of the reporting period would have had the abovementioned impacts on profit or loss and to the amounts shown above, on the basis that all other variables remained constant.

(d) Interest rate risk

The Group's fixed-rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The Group's excess cash is invested in fixed deposits with tenure of less than 12 months, hence exposure to risk of change in their fair values due to changes in interest rates is not significant.

Risk management objectives, policies and processes for managing the risk

The Company does not have a formal policy for managing interest rate risk. The exposure to interest rate risk is monitored closely by the management.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(d) Interest rate risk (cont'd)

Exposure to interest rate risk

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

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Fixed rate instruments				
Financial assets	**161,079**	72,335	**1,637**	1,600
Financial liabilities	**(1,676,660)**	(1,631,828)	**(66,810)**	(67,481)
	(1,515,581)	(1,559,493)	**(65,173)**	(65,881)
Floating rate instruments				
Financial liabilities	**(1,111,080)**	(1,437,611)	**(330,828)**	(262,790)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company only have fixed rate deposits placed with licensed banks with tenure of less than 12 months for financial assets. The Group and the Company do not account for fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 1% (2023: 1%) in interest rates at the end of the reporting period would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(d) Interest rate risk (cont'd)

Interest rate risk sensitivity analysis (cont'd)

(b) Cash flow sensitivity analysis for variable rate instruments (cont'd)

	Group		Company	
	1% increase RM'000	**1% decrease RM'000**	**1% increase RM'000**	**1% decrease RM'000**
2024				
Floating rate instruments				
Term loans	**(10,315)**	**10,315**	**(3,308)**	**3,308**
Bank overdrafts	**(796)**	**796**	**-**	**-**
Cash flow sensitivity (net)	**(11,111)**	**11,111**	**(3,308)**	**3,308**
2023				
Floating rate instruments				
Term loans	(13,888)	13,888	(2,628)	2,628
Bank overdrafts	(487)	487	-	-
Cash flow sensitivity (net)	(14,375)	14,375	(2,628)	2,628

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(e) Fair value information

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:

(i) Club membership and unquoted shares

It is not practical to determine the fair value of these unquoted shares and memberships due to the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

(ii) Unquoted unit trusts

Fair value of the investments in unit trust are determined based on the net asset value of the unit trust at the end of the reporting period.

(iii) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

(iv) Long-term receivables and payables

The fair values of long-term receivables and payables are estimated using discounted cash flow analysis based on the weighted average cost of capital of the Group. The Group classifies this at Level 3 in fair value hierarchy.

(v) Loans and borrowings

The carrying amounts of bank overdrafts, trust receipts, revolving credit and Murabahah facilities, invoice financing, bankers' acceptance and short-term loans are approximate fair values due to the relatively short-term maturity of these financial liabilities.

The carrying amounts of long-term floating rate loans approximate their fair value as the loans will be re-priced to market interest rate on or near to the end of the reporting period.

35. CAPITAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management (cont'd)

(e) Fair value information (cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For loans and borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial period (2023: no transfer in either direction).

Level 3 fair value

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group and the Company manage their capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's and the Company's approach to capital management during the year.

The Group and the Company monitor capital using a gearing ratio, which is computed by using total loans and borrowings net of cash and deposits and short term investments over shareholder's equity attributable to owners of the Company.

Net gearing ratio

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

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total loans and borrowings	**2,773,930**	3,052,116	**330,828**	262,802
Less: Cash and deposits	**(435,144)**	(246,675)	**(3,373)**	(3,197)
Less: Short term investments	**(15,390)**	(71,488)	**-**	-
Net debts	**2,323,396**	2,733,953	**327,455**	259,605
Total equity	**191,070**	48,257	**(145)**	120,179
Net debt-to-equity ratio (times)	**12.16**	56.65	**-**	2.16

37. SHARE-BASED PAYMENTS

The Company has an Employee Share Scheme ("ESS") intended to provide an opportunity for all eligible persons within the Group determined by the ESS Committee to participate in the equity of the Company. The ESS comprises of the following awards:

(i) options which entitle the eligible persons, upon exercise, to obtain the Company's shares at specified future date a pre-determined price ("ESS Options"); and

(ii) the right to have a number of the Company's shares vested at the future date as the ESS Committee may decide ("ESS Share Awards") provided that relevant performance conditions/targets of AZRB Group which has been pre-determined at the point of the offer of the ESS Share Awards are duly fulfilled.

During the year 2017, the Company made the first offer of 4,597,453 options under the ESS Options and 5,614,943 shares under the ESS Shares Award to eligible employees and Directors of the Company and/or its eligible subsidiaries.

The movements in number of shares pursuant to the issuance of ESS are as follows:

			Number of ordinary shares				
Grant date	**Expiry date**	**Exercise price per share RM**	**Balance as at 1 July 2023/2022**	**Granted**	Exercised	Forfeited	**Balance as at 30 June**
Share Options							
2024							
31.03.2017	17.08.2024*	0.61	1,855,365	-	-	-	1,855,365
2023							
31.03.2017	17.08.2024*	0.61	2,685,540	-	-	(830,175)	1,855,365

* The ESS was implemented on 18 August 2014 ("Effective Date") and shall be in force for a period of 5 years and expires on 17 August 2019. The ESS has been extended for a further period of 5 years expiring on 17 August 2024.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

37. SHARE-BASED PAYMENTS (CONT'D)

The fair value of ESS is determined based on the following assumptions:

		Share Options
Valuation model		Binomial Option Pricing
Offer date		1.3.2017
Grant date		31.3.2017
Fair value of share options at grant dates		
- At vesting date on 28.02.2018	(RM)	0.4472
- At vesting date on 28.02.2019	(RM)	0.4685
- At vesting date on 28.02.2020	(RM)	0.4823
Grant date share price	(RM)	1.00
Exercise price	(RM)	0.61
Expected volatility	(%)	35.28
Expected life	(years)	7
Risk free rate	(%)	4.07
Expected dividend yield	(%)	2.00

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features were incorporated into the measurement of fair value.

38. MATERIAL LITIGATIONS

At the date of this report, the Directors are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group and the Company except as disclosed as follows:

Writ and Statement of Claim against AEON Co. (M) Bhd and Counter Claim by AEON Co. (M) Bhd ("AEON")

On 2 March 2021, Betanaz Properties Sdn Bhd ("Betanaz"), a 51%-owned subsidiary of the Company served a Writ and Statement of Claim ("Claim") on AEON pertaining to the breach of Tenancy Agreement by AEON which was entered into between both parties on 24 August 2017, where Betanaz granted to AEON a tenancy and lease of a plot of land held under H.S.(D) 59653, PT No. 145020, Mukim Kuala Kuantan, Daerah Kuantan, Pahang for AEON to construct and thereafter, to operate a commercial shopping complex. The Tenancy Agreement was subsequently supplemented and/or amended by a Supplementary Tenancy Agreement dated 13 September 2019.

38. MATERIAL LITIGATIONS (CONT'D)

Writ and Statement of Claim against AEON Co. (M) Bhd and Counter Claim by AEON Co. (M) Bhd ("AEON") (cont'd)

Betanaz is claiming against AEON for the following:

(1) Judgment in the sum of RM59,302,302.97, or such other amount as assessed by the Court;
(2) in the alternative to (1) above, Judgment in the sum of RM18,936,207.76, or such other amount as assessed by the Court;
(3) interest at such rate and for such period as the Court deems fit and just;
(4) costs; and
(5) such further and or other relief as the Court deems fit and just.

Betanaz and AZRB have on 29 March 2021 and 31 March 2021 respectively, received a Defence against Betanaz's claim, and a Counterclaim by AEON against Betanaz and AZRB seeking a refund of the monies paid by AEON to Betanaz and AZRB, on the ground that the Tenancy Agreement, and the Commercial Agreement dated 24 August 2017 between AZRB and AEON ("Commercial Agreement") were allegedly void by reason of the alleged non-fulfilment of the conditions precedent to those agreements.

AEON is claiming against Betanaz, amongst others, the return or payment of RM2,303,087 under the Tenancy Agreement and against AZRB, amongst others, the return of RM28,415,094 under the Commercial Agreement.

Betanaz has filed its Reply to Defence and Defence to Counter-claim on 19 April 2021 and AZRB has filed its Defence to the Counter-Claim and an Application to Strike Out the Counter-Claim on 7 May 2021. On 22 October 2021, the High Court allowed AZRB's striking out application against AEON's Counterclaim with costs. On 26 October 2021, AEON appealed to the Court of Appeal against the High Court Order dated 22 October 2021. On 9 May 2022, the Court of Appeal allowed AEON's appeal and set aside the Order of the High Court dated 22 October 2021. As a result, AZRB was reinstated as the 2nd Defendant in AEON's Counterclaim.

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

38. MATERIAL LITIGATIONS (CONT'D)

Writ and Statement of Claim against AEON Co. (M) Bhd and Counter Claim by AEON Co. (M) Bhd ("AEON") (cont'd)

On 26 October 2021, AEON had filed their Notice to Appeal at the Court of Appeal against the entirety of the decision of the High Court Judge. On 9 May 2023, the Court of Appeal allowed AEON's appeal with costs. Consequently, the High Court Order for the Striking Out application is set aside. A case management has been fixed at High Court on 18 May 2022.

On 1 June 2023, AEON filed 2 Applications against Betanaz and AZRB for specific discovery of a number of categories of documents ("Specific Discovery Applications"). Both AEON's Specific Discovery Applications were heard by the trial Judge on the first day of Trial on 6 July 2023, and were dismissed with costs in the cause.

The Trial had proceeded on 6 and 7 July 2023 and continued in several sessions until 28 August 2024. The decision of the matter is fixed on 16 December 2024.

The Directors have made an assessment and sought legal advise in respect of this matter and are of the opinion that the Group has good grounds to deferred and contest against the case.

39. RELATED PARTIES

Identity of related parties

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

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

The Group has related party relationship with its holding companies, significant investors, subsidiaries, associates, joint ventures, affiliates, Directors and key management personnel.

39. RELATED PARTIES (CONT'D)

Identity of related parties (cont'd)

Significant related party transactions

The significant related party transactions of the Group and of the Company, other than key management personnel compensation (see Note 7), are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade				
Dividend income received/ receivable from subsidiaries	**-**	-	**(31,872)**	(27,730)
Management fees received/ receivable from subsidiaries	**-**	-	**(12,443)**	(14,923)
Corporate guarantee fees receivable from subsidiaries	**-**	-	**(1,005)**	(1,301)
Purchases from following companies in which a director has substantial financial interests, and is also a director:				
- MIM Waste Services Sdn. Bhd.	**49**	-	**-**	-
- Kemaman Quarry Sdn. Bhd.	**39**	14	**-**	-
Sales to the following companies of which a director has substantial financial interests, and is also a director				
- MIM Waste Services Sdn. Bhd.	**18**	138	**-**	-
- Kemaman Quarry Sdn. Bhd.	**-**	54	**-**	-

Notes to the Financial Statements
For The Financial Year Ended 30 June 2024 (Cont'd)

39. RELATED PARTIES (CONT'D)

Identity of related parties (cont'd)

Significant related party transactions (cont'd)

The significant related party transactions of the Group and of the Company, other than key management personnel compensation (see Note 7), are as follows (cont'd):

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Non-trade				
Rental expenses charged by a subsidiary	**-**	-	**3,582**	3,582
Administrative services payable to holding company	**276**	62	**-**	-
Insurance premium paid or payable to holding company	**95**	457	**-**	-
Rental of land paid to a Director of the Company	**-**	598	**-**	-
Rental of land paid to a shareholder	**773**	-	**-**	-
Security services charged by holding company	**741**	1,408	**-**	-
Progress billing issued by a subsidiary	**-**	-	**12,233**	6,738
Management fees charged by holding company	**-**	1,561	**-**	1,561
Advance to a subsidiary	**-**	-	**51,932**	54,918

The outstanding balances arising from the above transactions have been disclosed in Notes 22 and 33, respectively.

40. COMPARATIVE INFORMATION

Certain comparative figures in the financial statements have been reclassified on the face of the statements of financial position and statements of cash flows to confirm current year presentation due to change in reclassification.

STATEMENT BY DIRECTORS

The Directors of **AHMAD ZAKI RESOURCES BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and their cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors dated on 28 October 2024.

LEE CHEE KHOON

DATO' SRI WAN ZAKARIAH BIN HAJI WAN MUDA

Kuala Lumpur

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE

FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, SHAHRULANUAR BIN ISHAK, the Officer primarily responsible for the financial management of **AHMAD ZAKI RESOURCES BERHAD,** do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

SHAHRULANUAR BIN ISHAK
(MIA No. 28067)

Subscribed and solemnly declared by the abovenamed **SHAHRULANUAR BIN ISHAK** at **KUALA LUMPUR** this 28th October 2024.

Before me,

COMMISSIONER FOR OATHS

DIRECTORS' INTERESTS IN SHARES
AS AT 1 OCTOBER 2024

Issued and Fully Paid-up Share Capital	:	657,741,147#
Class of Shares	:	Ordinary Share
Voting Rights	:	One vote per share

inclusive of 1,662,862 ordinary shares held as treasury shares as at 1 October 2024

STATEMENT OF DIRECTOR'S SHAREHOLDINGS

The Company	Ordinary Shares			
	Direct Interest	%	Deemed Interest*	%
Ahmad Zaki Resources Berhad				
Dato' Sri Wan Zakariah bin Haji Wan Muda	5,266,220	0.803	27,000	0.004
Dato' Ir W Zulkifli bin Haji W Muda	10,003,789	1.525	906,125	0.138
Dato' Roslan bin Tan Sri Jaffar	1,061,262	0.162	492,187	0.075
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	2,000,000	0.305	0	0
Tan Sri Dr Madinah binti Mohamad	0	0	0	0
Dato' Ir Haji Che Noor Azeman bin Yusoff	0	0	0	0
Lee Chee Khoon	0	0	0	0
Dato' Hj. Wan Mohd Hilmi bin Wan Kamal	0	0	0	0
Ultimate Holding Company				
Dato' Sri Wan Zakariah bin Haji Wan Muda	1,250,000	12.50	0	0
Dato' Ir W Zulkifli bin Haji W Muda	1,250,000	12.50	0	0

* *securities held through person(s) connected with the Director*

Other than as disclosed above, none of the Directors held any securities or have any interest in the Company and its related companies as at 1 October 2024.

ANALYSIS OF SHAREHOLDINGS
AS AT 1 OCTOBER 2024

DISTRIBUTION OF SHAREHOLDINGS

Category	No. of Shareholders		No. of Shareholdings		% of Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100 shares	792	13	30,860	549	0.00	0.00
100 to 1,000 shares	597	6	246,892	1,942	0.04	0.00
1,001 to 10,000 shares	2,428	20	14,061,418	135,757	2.14	0.02
10,001 to 100,000 shares	2,847	43	96,093,597	1,935,700	14.65	0.30
100,001 to less than 5% of issued shares	463	14	214,825,960	9,300,774	32.74	1.42
5% and above of issued shares	3	0	319,444,836	0	48.69	0.00
Total	**7,130**	**96**	**644,703,563**	**11,374,722**	**98.27**	**1.73**

LIST OF SUBSTANTIAL SHAREHOLDERS

No.	Substantial Shareholder	Ordinary Shares			
		Direct Interest	%	Deemed Interest*	%
1.	Zaki Holdings (M) Sdn Bhd	247,982,336	37.80	0	0
2.	AmSec Nominees (Tempatan) Sdn Bhd - Pledged securities account - AmBank (M) Berhad for Zaki Holdings (M) Sdn Bhd	71,462,500	10.89	0	0
3.	Tan Sri Dato' Sri Wan Zaki bin Haji Wan Muda	4,757,371	0.73	321,543,859	49.01

** ordinary shares held through persons connected with the substantial shareholder*

Analysis of Shareholdings
As at 1 October 2024

LIST OF 30 LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

No.	Shareholder	Ordinary Shares	%
1.	Zaki Holdings (M) Sdn Bhd	205,030,880	31.25
2.	AmSec Nominees (Tempatan) Sdn Bhd - Pledged securities account - AmBank (M) Berhad for Zaki Holdings (M) Sdn Bhd	71,462,500	10.89
3.	Zaki Holdings (M) Sdn Bhd	42,951,456	6.55
4.	Dato' Sri Ng Teck Long	18,050,000	2.75
5.	Multiglow Resources Sdn Bhd	8,074,800	1.23
6.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged securities account for Dato' W Zulkifli bin W Muda (MF00315)	7,018,750	1.07
7.	Lim Boon Liat	6,900,000	1.05
8.	Datin Sri Wong Pui Yoong	5,199,700	0.79
9.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Sri Wan Zakariah bin Wan Muda (7005790)	4,909,970	0.75
10.	Tan Sri Dato' Sri Haji Wan Zaki bin Haji Wan Muda	4,757,371	0.73
11.	Ioannis Koromilas	4,429,700	0.68
12.	Public Nominees (Tempatan) Sdn Bhd - Pledged securities account for Lim Khek Keng (E-TAI)	3,243,700	0.49
13.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged securities account for Dato' W Zulkifli bin W Muda	2,868,750	0.44
14.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged securities account for Su Tiing Uh	2,725,000	0.42
15.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chong Kee Soon	2,400,000	0.37
16.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged securities account for Liew Yoon Peck	2,263,400	0.35
17.	Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	2,000,000	0.30
18.	Public Nominees (Tempatan) Sdn Bhd - Pledged securities account for Leong Pok Seng (E-KTN)	2,000,000	0.30
19.	Teh Thian Siong	1,798,200	0.27
20.	Ong Soh Hoon	1,739,800	0.27
21.	Maybank Nominees (Tempatan) Sdn Bhd - Waiko International Sdn Bhd	1,642,300	0.25
22.	Public Nominees (Tempatan) Sdn Bhd - Pledged securities account for Wong Ah Heng (E-TMI)	1,600,000	0.24
23.	RHB Nominees (Asing) Sdn Bhd - Pledged securities account for Ioannis Koromilas	1,562,500	0.24
24.	Teh Thian Siong	1,500,000	0.23
25.	Lim Chin Sean	1,476,300	0.23
26.	Chang Jin Wan	1,433,750	0.22
27.	Cartaban Nominees (Asing) Sdn Bhd - Exempt an for Barclays Capital Securities Ltd (SBL/PB)	1,426,200	0.22
28.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged securities account for Teh Poo Seng (M02)	1,409,300	0.21
29.	RHB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Rosmariah Binti Abd Manan	1,400,000	0.21
30.	Wong Choong Leong	1,346,900	0.21

LIST OF PROPERTIES

No	Title & Location of Property	Date of Acquisition	Description of Properties (Existing Use)	Tenure (Age of Building)	Total Land Area / (Built-up Area)	NBV / Prepaid Lease Payment (RM'000)
1	EMR 873, Lot 826 Mukim Sungai Karang, Kuantan, Pahang Darul Makmur.	30.10.1993	Land and Hotel building	Freehold (23 years)	202,815 sq.ft./ 64,670 sq.ft.	15,298
2	GM372 Lot 981 and GRN37357 Lot 985 Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	20.01.1994 & 16.02.1994	Menara AZRB	Freehold (5 years)	55,017 sq. ft.	45,166
3	Lot PT2100, HSD 722 Mukim Kuala Telemong, Daerah Hulu Terengganu, Terengganu Darul Iman.	15.07.2003	Vacant land for quarry operation	Leasehold expiring in year 2025	20 ha.	876
4	GM 1012 Lot 22050 Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	03.08.2007	Menara AZRB, Car Park	Freehold	12,066.34 sq. ft.	1,448
5	GM 1754 Lot 167 Mukim Sabai, Daerah Bentong, Pahang Darul Makmur.	08.10.2010	Vacant land	Freehold	4.578 ha.	1,639
6	HS (D) 29915, Lot PT 91677 Mukim Kuala Kuantan, Daerah Kuantan, Pahang Darul Makmur.	18.07.2012	Land held for Development	Freehold	12.141 ha.	8,494
7	GRN 11795, Lot 41184 Mukim Kuala Kuantan, Daerah Kuantan, Pahang Darul Makmur.	20.01.2015	Land held for Development	Freehold	2.529 ha.	4,741
8	GM 2413-GM2451 Lot 60011-Lot 60021, Lot 60023-Lot 60050, Mukim Kemasik, Tempat Kampung Semayor, Daerah Kemaman, Terengganu Darul Iman.	08.01.2015	Land held for Development	Freehold	18,152 sq. m.	3,028
9	Lot 8316, PT18854 - PT19458 Mukim Bukit Payung, Daerah Marang, Terengganu Darul Iman.	10.09.2015	Land held for development	Leasehold expiring in year 2115	58.55 acres	6,558
10	Geran 26152, Lot 4812 Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	28.07.2016	Land held for development	Freehold land	772.7 sq. m.	2,707
11	NO.H.S.(D).: 121118, No.P.T. : PT 50039 Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	28.07.2016	Land held for development	Freehold land	2683.417 sq.m	9,401

NOTICE OF 27TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 27th Annual General Meeting ("27th AGM") of the Company will be conducted on virtual basis through live streaming and online remote voting from the Broadcast Venue at Boardroom, 7th Floor, Menara AZRB, No. 71 Persiaran Gurney, 54000 Kuala Lumpur on Thursday, 12 December 2024 at 10.30 a.m. for the following purposes:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' fees and benefits of up to RM1,500,000 (Ringgit Malaysia One Million Five Hundred Thousand only) for the period from the conclusion of the 27th AGM to the next Annual General Meeting ("AGM") of the Company. **Resolution 1**

3. To re-elect the following Directors who shall retire by rotation in accordance with Clause 95 of the Constitution of the Company:
   (i) Dato' Sri Wan Zakariah bin Haji Wan Muda **Resolution 2**
   (ii) Dato' Ir. Haji Che Noor Azeman bin Yusoff **Resolution 3**

4. To re-elect Dato' Hj. Wan Mohd Hilmi bin Wan Kamal who retire in accordance with Clause 102 of the Constitution of the Company. **Resolution 4**

5. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2025 and to authorise the Directors to fix their remuneration. **Resolution 5**

Special Business

6. **AUTHORITY TO ALLOT AND ISSUE SHARES**

"THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 ("CA 2016") and subject to the approvals of the relevant authorities, the Directors be and are hereby empowered to allot and issue new shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being AND THAT the Directors be and are hereby also authorised to obtain the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing and quotation of the additional shares so allotted AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

THAT pursuant to Section 85 of the CA 2016, to be read together with Clause 61 and Clause 62 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the CA 2016." **Resolution 6**

Notice of 27th Annual General Meeting

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE**

"THAT, subject always to the provisions of the CA 2016, the Constitution of the Company and the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities, approval be and is hereby given to the Company, its subsidiaries or any of them to enter into any of the transactions falling within the types of the Recurrent Related Party Transactions, particularly of which are set out in the Circular to Shareholders dated 30 October 2024 with the Related Parties as described in the said Circular, provided that such transactions are of revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders and that such transactions are made on the arm's length basis and on normal commercial terms.

THAT such approval shall continue to be in force until:

(i) the conclusion of the next AGM of the Company (being the 28th AGM of the Company), at which time the said authority will lapse, unless by a resolution passed at a general meeting whereby the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company (being the 28th AGM of the Company) is required to be held pursuant to Section 340(2) of the CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earliest,

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give fully effect to the transactions contemplated and/or authorised by this Ordinary Resolution." **Resolution 7**

8. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY ("PROPOSED SHARE BUY-BACK")**

"THAT subject always to the provisions of the CA 2016, the Constitution of the Company, the Listing Requirements of Bursa Securities and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to buy-back such amount of ordinary shares ("Shares") in the Company as may be determined by the Directors of the Company from time to time, through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company, provided that:

(i) the aggregate number of Shares bought-back does not exceed 10% of the total issued and paid-up ordinary share capital of the Company at any time;

(ii) the maximum amount of funds to be allocated for the Proposed Shares Buy-Back shall not exceed the Company's audited retained earnings at any point in time;

(iii) the Shares purchased shall be treated in following manner:

(a) the purchased Shares shall be cancelled; or

(b) the purchased Shares shall be retained as treasury shares for distribution as dividend to the shareholders and/or resale on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancellation subsequently; or

(c) part of the purchased Shares shall be retained as treasury shares and the remainder shall be cancelled; or

(d) in such other manner as Bursa Securities and other relevant authorities may allow from time to time; or

(e) any combination of (a), (b), (c) and (d) above.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:

(i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) revoked or varied by resolution passed by the Company in general meeting;

whichever occurs first.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as may be necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities (Central Depository) Industry Act 1991, and the entering into and execution of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the Shares bought-back) in accordance with the provisions of the CA 2016, the Constitution of the Company, the Listing Requirements of Bursa Securities and all other relevant statutory and/or regulatory requirements." **Resolution 8**

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

BY ORDER OF THE BOARD

DATO' HAJI BAHARI BIN JOHARI (LS 0008773/SSM PC No. 201908002206)
SUZANA BINTI SANUDIN (LS 0008028/SSM PC No. 201908002689)
Company Secretaries

Kuala Lumpur
30 October 2024

Notice of 27th Annual General Meeting

NOTES:

1. Mode of Meeting

(i) The 27th AGM of the Company will be held on virtual basis via live streaming from the Broadcast Venue and through the Remote Participation and Voting ("RPV") facilities.

(ii) The Broadcast Venue of the 27th AGM is strictly for the purpose of complying with Section 327(2) of the CA 2016 which requires the Chairman of the Meeting to be at the main venue.

NO MEMBERS will be allowed to be physically present at the Broadcast Venue on the day of the 27th AGM.

(iii) As such, we strongly encourage you to make use of the RPV facilities to attend, speak (in real time submission of typed texts) and vote (collectively, "participate") at the 27th AGM.

Please read the notes provided in the Administrative Guide for further details.

2. Proxy and Entitlement of Participation

(i) Only a Member whose name appear on the Records of Depositors as at **5 December 2024** shall be entitled to participate at the 27th AGM or appoint proxy(ies) on his /her behalf.

(ii) A Member entitled to participate at the 27th AGM may appoint not more than two (2) proxies to participate on his/her behalf. A proxy may but need not be a member of the Company.

(iii) Where a Member appoints two (2) proxies, the appointment shall not be valid unless he/she specifies his/her shareholdings to be represented by each proxy.

Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(iv) The instrument in appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised by the corporation.

(v) The instrument in appointing a proxy must be deposited at the office of the Share Registrar, Mega Corporate Services Sdn Bhd at Level 12-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50260 Kuala Lumpur of the Company or email : **AGM-support.AZRB@megacorp.com.my** not less than 48 hours before the time set for holding 27th AGM or no later than **10 December 2024** at 10.30 a.m. or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

EXPLANATORY NOTES TO THE ORDINARY AND SPECIAL BUSINESS:

3. Agenda 1 – Audited Financial Statements of the Company for the financial year ended 30 June 2024

Agenda 1 is meant for discussion only as the provision of Sections 248(2) and 340(1) of the CA 2016 does not require a formal approval of the members and hence, is not put forward for voting.

4. Resolution 1 - Directors' Remuneration

Pursuant to Section 230(1) of the CA 2016, fees and benefits payable to the Directors of the Company shall be approved at a general meeting. The proposed Resolution 1 is to seek members' approval for the payment of Directors' fees and benefits for the period from the conclusion of the 27th AGM to the next AGM of the Company ("Period") up to an aggregate amount of RM1,500,000 (Ringgit Malaysia One Million Five Hundred Thousand only).

In determining the estimated total Directors' benefits for the Period, the size of the Board/Board Committees and the number of meetings estimated to be held during the Period were taken into consideration. The payment of Directors' fees will be made on a monthly basis or as and when incurred, after the Directors have discharged their responsibilities and rendered their services to the Company.

At the last AGM held on 12 December 2023, the members had approved the payment of fees and benefits payable to the Non-Executive Directors ("NEDs") up to an amount of RM1,500,000 (Ringgit Malaysia One Million Five Hundred Thousand only) ("Approved Amount") from 13 December 2023 until the conclusion of the next AGM. The total payment of remuneration to the NEDs for the said period did not exceed the Approved Amount. The details of the remuneration of Directors for financial year ended 30 June 2024 are disclosed in the 2024 Annual Report.

5. Resolution 2 to Resolution 4

(i) Re-election of Director who retires in accordance with Clause 95 of the Constitution of the Company.

Clause 95 of the Company's Constitution states that at each AGM, one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), the number nearest to one-third (1/3) with a minimum of one (1) shall retire from office. In addition, each Director shall retire at least once in every three (3) years but shall be eligible for re-election. Clause 96 of the Company's Constitution provides that the Directors to retire, shall be the one that has been longest in office since his/her last election or appointment, but as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The following Directors shall stand for re-election as Directors and being eligible, have offered themselves for re-election at the 27th AGM of the Company:

(a) Dato' Sri Wan Zakariah bin Haji Wan Muda; and

(b) Dato' Ir. Haji Che Noor Azeman bin Yusoff

The Board and the Nominating Committee have considered the performance and contribution of each Director and as such, the Board recommended for their re-election on the Board of the Company.

The profiles of the abovenamed Directors are stated in the Director' Profile of the Annual Report 2024.

(ii) Re-election of Director who retires in accordance with Clause 102 of the Constitution of the Company.

Clause 102 of the Company's Constitution stipulates that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election. Dato' Hj. Wan Mohd Hilmi bin Wan Kamal was appointed on 15 March 2024 and he will be retiring pursuant to Clause 102 of the Company's Constitution. He is eligible for re-election, has also given his consent for re-election.

The profiles of the abovenamed Director is stated in the Director' Profile of the Annual Report 2024.

6. Resolution 5 – Re-appointment of Auditors

Grant Thornton Malaysia PLT shall be retiring at the forthcoming 27th AGM of the Company and have expressed their willingness to be re-appointed as auditors of the Company for the financial year ending 30 June 2025. The Audit and Risk Committee has assessed the suitability and independence of Grant Thornton Malaysia PLT as Auditors of the Company. The Board on the recommendation of the Audit and Risk Committee, recommended that Grant Thornton Malaysia PLT be re-appointed as Auditors of the Company.

7. Resolution 6 - Authority to Allot and Issue Shares

The proposed Ordinary Resolution 6, if passed, will renew the authority given to the Directors of the Company to issue and allot new shares in the Company pursuant to Sections 75 and 76 of the CA 2016 ("General Mandate"), without first offer to holders of existing issued shares of the Company, provided that the number of shares issued pursuant to this General Mandate, when aggregated with the number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue and waive the statutory pre-emptive rights of shareholders of the Company ("Waiver"). This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The purpose to seek the General Mandate is to enable the Company to raise funds expeditiously for the purpose of funding future project(s), working capital, repayment of borrowings and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

Notice of 27th Annual General Meeting

The Waiver will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

The Company had been granted a general mandate by its shareholders at the 26th AGM of the Company on 12 December 2023 ("Previous Mandate"). The previous mandate granted by the shareholders had not been utilized and hence, no proceed was raised therefrom.

8. Resolution 7 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature

   The proposed Resolution 7, if passed will enable the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities.
   Please refer to Part A of the Circular to Shareholders dated 30 October 2024 for further information.

9. Resolution 8 - Proposed Renewal of Share Buy-Back Authority

   The proposed Resolution 8, if passed, will empower the Company to purchase up to ten per centum (10%) of the total issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next AGM.
   Please refer to Part B of the Circular to Shareholders dated 30 October 2024 for further information.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"),

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

AZRB
AHMAD ZAKI RESOURCES BERHAD
Registration No. 199701017271 (432768-X)

ADMINISTRATIVE GUIDE

For the Virtual 27th Annual General Meeting ("27th AGM")

Day/Date : Thursday, 12 December 2024
Time : 10.30 a.m.
Broadcast Venue : Boardroom, 7th Floor, Menara AZRB
No. 71 Persiaran Gurney, 54000 Kuala Lumpur

VOTING VIA DIGITAL BALLOT FORM AT THE VIRTUAL AGM

1. Shareholders will not be allowed to attend the AGM in person at the Broadcast Venue on the day of the meeting. Shareholders who wish to participate at the AGM will therefore have to do so remotely. Pre-registration of attendance is required via the link at **https://vps.megacorp.com.my/dSY1ED** (please refer to para 4 for further details). After the registration is validated and accepted, Shareholders will receive an email with a link to grant access to the Digital Ballot Form ("DBF").

2. With the DBF and the meeting link, you may exercise your right as a shareholder of the Company to participate and vote during the AGM, at the comfort of your home or from any location.

3. Shareholders may use the Questions' Pane facility (located at the top right corner of the screen) to submit questions in real time during the meeting via the Live-Streaming solution. Shareholders may also submit questions before the meeting via email to the following e-mail address in relation to the agenda items for the AGM: **AGM-support.AZRB@megacorp.com.my**

REGISTRATION PROCEDURE

4. Kindly follow the steps below to ensure that you are able to obtain your DBF and details to log in to the Live-Streaming session to participate and vote remotely during the AGM online:

   a. Open this link **https://vps.megacorp.com.my/dSY1ED** or scan the QR code at the top right corner of this document and submit all requisite details at least forty-eight (48) hours before the date of AGM.

   b. Only Shareholders are allowed to register their details online. Shareholders can also appoint proxies or Chairman of the meeting as proxy via online, as in step (a) above. Please ensure that your details are accurate as non-compliance would result in you not being able to participate in the Meeting.

   c. Alternatively, you may deposit your Proxy Form, duly completed with the proxy's email address and mobile phone number, at the office of the Poll Administrator 48 hours before the AGM:

      Mega Corporate Services Sdn. Bhd.
      Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur,
      Wilayah Persekutuan or;
      Submit via e-mail to: **AGM-support.AZRB@megacorp.com.my**

   d. For corporate Shareholders / nominee accounts, please execute Form of Proxy as per step (c) above.

   e. Upon verification on your registration, the Poll Administrator, Mega Corporate Services Sdn. Bhd., will send the following via email:

      i. Meeting Link – for the Live-Streaming Session

      ii. DBF – for Voting Purposes

Administrative Guide
for the Virtual 27th Annual General Meeting ("27th AGM")

RECORD OF DEPOSITORS ("ROD") FOR THE AGM

5. The date of ROD for the 27th AGM is 5 December 2024. As such, only Shareholders whose name appear in the ROD shall be entitled to participate and vote at the AGM or appoint proxy(ies) /corporate representative(s) to participate and vote on his / her behalf.

POLL VOTING

6. The voting of the AGM will be conducted by poll. The Company has appointed Mega Corporate Services Sdn. Bhd. as the Poll Administrator to conduct the polling process by way of e-voting, and Cygnus Technology Solutions Sdn. Bhd. as Scrutineers to verify the poll results.

7. Shareholders can proceed to vote on the resolutions and submit your votes during the voting period as stipulated in the DBF. Upon completion of the voting session for the AGM, the Scrutineers will verify the poll results after which the Chairman will announce the poll results of the resolutions.

ENQUIRY

If you have any enquiries on the above, please contact the Poll Administrator during office hours (Monday to Friday):

MEGA CORPORATE SERVICES SDN BHD

Email	:	**AGM-support.AZRB@megacorp.com.my**
Tel	:	+60 (3) 2692 4271 ext 364
Raja Ahmad Taufiq Bin Raja Mazlan	:	+60 (13) 3699241

AZRB
AHMAD ZAKI RESOURCES BERHAD
Registration No. 199701017271 (432768-X)

FORM OF PROXY

No. of Shares held	Member's Contact No.	Email Address

*I/We,____ NRIC/Company No ____________________
(Full name as per NRIC/Certificate of Incorporation)

of ____
(Full address)

being a member of **AHMAD ZAKI RESOURCES BERHAD**, hereby appoint:

Proxy	Name	NRIC	Contact No.	Email address	% share
1					
2					
Total					

or failing *him/her/both, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the 27th Annual General Meeting ("27th AGM") of the Company to be conducted on virtual basis through live streaming and online remote voting from the Broadcast Venue at Boardroom, 7th Floor, Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur on **Thursday, 12 December 2024** at 10.30 a.m. and at every adjournment thereof, on the following resolutions referred to in the Notice of AGM.

The proportion of *my/our holding to be represented by *my/our proxies are as follows:
(The above Table below should be completed only when 2 proxies are appointed)

*My/our proxy is to vote as indicated below:

	RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS			
Ordinary Resolution 1	To approve the payment of Directors' fees and benefits		
Ordinary Resolution 2	To re-elect Dato' Sri Wan Zakariah bin Haji Wan Muda		
Ordinary Resolution 3	To re-elect Dato' Ir. Haji Che Noor Azeman bin Yusoff		
Ordinary Resolution 4	To re-elect Dato' Hj. Wan Mohd Hilmi bin Wan Kamal		
Ordinary Resolution 5	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company		
SPECIAL BUSINESS			
Ordinary Resolution 6	Authority to Allot and Issue Shares pursuant to the Companies Act 2016		
Ordinary Resolution 7	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 8	Proposed Renewal of Share Buy-Back Authority		

*Please indicate with an "X" in the appropriate spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at *his/her discretion.*

Date: ____________________

____
Signature(s) / Common Seal of Member (if applicable)

** Delete where inapplicable.*

Notes:-

1. The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxies from the public will be physically present at the meeting venue. Shareholders who wish to participate in the AGM will therefore have to register via the link https://vps.megacorp.com.my/dSY1ED. Kindly refer to the Administrative Guide for further information.
2. For purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting Record of Depositors as at **5 December 2024**. Only a Depositor whose name appears on the Record of Depositors as at **5 December 2024** shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
3. A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
7. The Form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur of the Company or email : AGM-support.AZRB@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. You also have the option to register directly at https://vps.megacorp.com.my/dSY1ED to submit the proxy appointment electronically not later than **Tuesday, 10 December 2024** at **10.30 a.m.** For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide.
8. By submitting the duly executed proxy form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

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stamp

MEGA CORPORATE SERVICES SDN BHD
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

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STATEMENT OF ASSURANCE

Based on our Internal Audit assessment and verification, we conclude that the sustainability information and data presented in the Ahmad Zaki Resources Berhad ("AZRB") Annual Report for the financial year ended 30 June 2024, is reliable, in all material respects.

The information is in-line with the GRI Standards and Bursa Malaysia Sustainability Guidelines, and it reflects AZRB's commitment to sustainability, covering key areas such as:

- **Environmental Performance**: AZRB has taken concrete steps to reduce its environmental footprint, with clear reporting on energy efficiency, waste management, and efforts to minimize greenhouse gas emissions.

- **Social Responsibility**: The report adequately highlights AZRB's initiatives in supporting employee welfare, promoting health and safety, and fostering community development.

- **Governance and Integrity**: The company has demonstrated strong governance practices, particularly in the implementation of anti-corruption measures and compliance with MACC Act Section 17A and code of conduct.

Opportunities for Improvement

The sustainability reporting of AZRB demonstrates compliance with statutory requirements; nevertheless, there is a need to improve the quality of data gathering techniques even more, especially with regard to quantifying long-term effects and increasing transparency about sustainability goals.

Continuous improvement in these areas will strengthen AZRB's sustainability performance and reporting transparency.

Assurance Limitations

This assurance statement does not apply to financial or other non-sustainability-related statistics; rather, it is restricted to AZRB's sustainability disclosures within the conditions that are given.

Statement of Independence

Our assurance process has been carried out independently of the AZRB's management and operations. Throughout the assurance process, there hasn't been any conflict of interest.

ROZMAN BIN SHARIFF
Assistant General Manager, Corporate Assurance

AHMAD ZAKI RESOURCES BERHAD

22 October 2024

PERFORMANCE DATA 2024

INDICATOR	MEASUREMENT UNIT	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	1.09
Executive	Percentage	10.04
Non-executive/Technical Staff	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	144,233.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	56
Bursa (Diversity)		
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
Management Between 30-50	Percentage	2.98
Management Above 50	Percentage	3.60
Executive Under 30	Percentage	3.35
Executive Between 30-50	Percentage	29.16
Executive Above 50	Percentage	6.08
Non-executive/Technical Staff Under 30	Percentage	16.75
Non-executive/Technical Staff Between 30-50	Percentage	33.75
Non-executive/Technical Staff Above 50	Percentage	4.34
Gender Group by Employee Category		
Management Male	Percentage	5.21
Management Female	Percentage	1.36
Executive Male	Percentage	24.57
Executive Female	Percentage	14.02
Non-executive/Technical Staff Male	Percentage	45.66
Non-executive/Technical Staff Female	Percentage	9.18
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	87.50
Female	Percentage	12.50
Under 30	Percentage	0.00
Between 30-50	Percentage	12.50
Above 50	Percentage	87.50
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	4,057.50

Performance Data 2024

INDICATOR	MEASUREMENT UNIT	2024
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	87
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	26
Executive	Hours	69
Non-executive/Technical Staff	Hours	7
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	17
Executive	Number	138
Non-executive/Technical Staff	Number	151
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.20
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	88,680.000000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	1,896.08
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.02
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,896.06
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	990.11
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	3,075.58
Bursa C11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	399.30

GRI CONTENTS INDEX FYE 2024

Page indications in this Index refer to AZRB Annual Report 2024 ("the Report") unless otherwise noted. The Sustainability Statement is contained in the Report on pages 38 to 68.

AZRB's 2024 Annual Report has been prepared with reference to the GRI Universal Standards: 2016, 2018 and 2021, which refer to standards issue date, not the date of the information presented in this Report.

GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	**2-1**	Organisational details	-	2 40	About AZRB About the Sustainability Statement
	2-2	Entities included in the organisation's sustainability reporting	-	2 5 40	About AZRB Corporate Structure About the Sustainability Statement
	2-3	Reporting period, frequency and contact point	-	40 40	About the Sustainability Statement Contact Us
	2-4	Restatements of information	-	-	Available
	2-5	External assurance	-	-	AZRB has internally conduct Internal Assurance of Statement
	2-6	Activities, value chain and other business relationships	-	2 4 8-19 52-55	About AZRB Corporate Information Management Discussion & Analysis ESG STRATEGY 1 Economy: Enhancing Economic Value
	2-7	Employees	8; 10	56-65	ESG STRATEGY 2 Wellbeing: Cultivating a Healthy & Safe Workplace
	2-8	Workers who are not employees	5; 8; 16	57	AZRB has Protege and Interns
	2-9	Governance structure and composition	5; 16	45 77-85	Governance Structure Corporate Governance Overview Statement
	2-10	Nomination and selection of the highest governance body	5; 6; 16	4, 44-45 77-85	Corporate Information & Governance Structure Corporate Governance Overview Statement
	2-11	Chair of the highest governance body	16	77-85	Corporate Governance Overview Statement
	2-12	Role of the highest governance body in overseeing the management of impacts	16	45	Governance Structure
	2-13	Delegation of responsibility for managing impacts	-	45 46-47 48-49 90-97	Governance Structure Materiality Matters & Sustainability Strategy Key Performance Indicators Statement on Risk Management and Internal Control
	2-14	Role of the highest governance body in sustainability reporting	-	45	Governance Structure
	2-15	Conflicts of interest	16	77-85 90-97	Corporate Governance Overview Statement Statement on Risk Management and Internal Control
	2-16	Communication of critical concerns	-	16 46-49 42-43 77-85 86-89 90-97	Managing Risk Effectively Materiality Matters & Sustainability Strategy, Key Performance Indicators Stakeholder Engagement Corporate Governance Overview Statement Audit and Risk Committee Report Statement on Risk Management and Internal Control
	2-17	Collective knowledge of the highest governance body	-	20-27	Board of Directors' Profile
	2-18	Evaluation of the performance of the highest governance body	-	- 77-85	Board Charter, Directors' Fit & Proper Policy at https://www.azrb.com/corporate-governance Corporate Governance Overview Statement
	2-19	Remuneration policies	-	- 77-85 86-89 90-97	Remuneration Policy at https://www.azrb.com/corporate-governance Corporate Governance Overview Statement Audit and Risk Committee Report Statement on Risk Management and Internal Control

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GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
GRI 2: General Disclosures 2021	**2-20**	Process to determine remuneration	-	77-85	Corporate Governance Overview Statement
				86-89	Audit and Risk Committee Report
				90-97	Statement on Risk Management and Internal Control
	2-22	Statement on sustainable development strategy	-	8-19	Management Discussion & Analysis
				44-45	Sustainability Roadmap & Sustainability Policy
				77-85	Corporate Governance Overview Statement
	2-23	Policy commitments	16	45	Sustainability Policy
				-	AZRB Code of Ethic and Conduct, Anti-Bribery & Corruption Policy and Whistleblowing Policy at https://www.azrb.com/corporate-governance
	2-24	Embedding policy commitments	-	45	Sustainability Policy
				-	AZRB Code of Ethic and Conduct, Anti-Bribery & Corruption Policy and Whistleblowing Policy at https://www.azrb.com/corporate-governance
	2-25	Processes to remediate negative impacts	-	8-19	Management Discussion & Analysis
				90-97	Statement on Risk Management and Control
	2-26	Mechanisms for seeking advice and raising concerns	16	-	Investor Relations at www.azrb.com/
				40	Contact Us
	2-27	Compliance with laws and regulations	-	46-47	Materiality Matters & Sustainability Strategy
				52-55	ESG STRATEGY 1 Economy: Enhancing Economic Value
				56-65	ESG STRATEGY 2 Wellbeing: Cultivating a Healthy & Safe Workplace
				66-74	ESG STRATEGY 3 Nature: Reducing Environmental Footprint
				75-76	ESG STRATEGY 4 Social: Enhancing Local Community
				77-85	Corporate Governance Overview Statement
				90-97	Statement on Risk Management and Internal Control
				103-246	Financial Statements
	2-28	Membership of associations	-	44	AZRB is a member of various industry associations
	2-29	Approach to stakeholder engagement	-	42-43	Stakeholder Engagement
	2-30	Collective bargaining agreements	8	-	AZRB does not subscribe to collective bargaining in employment. Nevertheless, we are open to discussions with employees on various matters such as remuneration, benefits, workplace conditions and pertinent matters.
MATERIAL TOPICS					
GRI 3: Material Topics 2021	**3-1**	Process to determine material topics	-	46-47	Materiality Matters & Sustainability Strategy
	3-2	List of material topics	-	46-47	Materiality Matters & Sustainability Strategy
	3-3	Management of mateial topics	-	All material matters sections	Throughout the Annual Report and Sustainability Statement
ECONOMIC PERFORMANCE					
GRI 201: Economic Performance 2016	**201-1**	Direct economic value generated and distributed	8; 9	34	5-Year Financial Highlights
				8-19	Management Discussion & Analysis
				46-49	Materiality Matters & Sustainability Strategy, Key Performance Indicators
				52-55	ESG STRATEGY 1 Economy: Enhancing Economic Value
				103-246	Financial Statements
	201-2	Financial implications and other risks and opportunities due to climate change	13	8-19	Management Discussion & Analysis
				52-55	ESG STRATEGY 1 Economy: Enhancing Economic Value
				56-65	ESG STRATEGY 2 Wellbeing: Cultivating a Healthy & Safe Workplace
	201-3	Defined benefit plan obligations and other retirement plans	-	-	AZRB abides by all relevant laws of the countries where we operate.
	201-4	Financial assistance received from government	-	103-246	Financial Statements
				63	Strengthening Competencies / Training

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GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
MARKET PRESENCE					
GRI 202: Market Presence 2016	**202-1**	Ratios of standard entry level wage by gender compared to local minimum wage	1; 5; 8	52	The compensation we offer is based on the minimum wage and internal equity of the respective positions as well as the employee's skill set and/ or experience. As far as possible, we strive to offer all our employees comparable compensation structures and monitor compliance with minimum standards.
	202-2	Proportion of senior management hired from the local community	1; 5; 8	-	Local Employment
INDIRECT ECONOMIC IMPACTS					
GRI 203: Indirect Economic Impacts 2016	**203-1**	Infrastructure investments and services supported	5; 6; 8; 9; 11	2 56-65 8-19	About AZRB ESG STRATEGY 1 Economy: Enhancing Economic Value Management Discussion & Analysis
	203-2	Significant indirect economic impacts	1; 3; 6; 8	2 56-65 8-19	About AZRB ESG STRATEGY 1 Economy: Enhancing Economic Value Management Discussion & Analysis
PROCUREMENT PRACTICES					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	46-49 52-54	Materiality Matters and Sustainability Strategy Procurement Practices
GRI 204: Procurement Practices 2016	**204-1**	Proportion of spending local suppliers	-	118-119	Performance Data Table (99.2%).
ANTI-CORRUPTION					
GRI 3: Material Topic	**205-1**	Operations assessed for risks related to corruption	16	46-49 118-119	Materiality Matters and Sustainability Strategy Performance Data 2024
GRI 205: Anti-corruption 2016	**205-2**	Communication and training about anti-corruption policies and procedures	16	55 63 77-85 90-97	Upholding Integrity. Accountability & Transparency Strengthening Competencies Corporate Governance Overview Statement Statement on Risk Management and Internal Control
	205-3	Confirmed incidents of corruption and actions taken	16	55	Upholding Integrity, Accountability & Transparency
ANTI-COMPETITIVE BEHAVIOUR					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	-	-
GRI 206: Anti-competitive Behaviour 2016	**206-1**	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	16	-	-
TAX					
GRI 207:	**207-1**	Approach to tax	1; 10; 17	103-246	Financial Statements
	207-2	Tax governance, control, and risk management	1; 10; 17	86-89 90-97	Audit and Risk Committee Report Statement on Risk Management and Internal Control
	207-3	Stakeholder engagement and management of concerns related to tax	1; 10; 17	8-19 42-43 103-246	Management Discussion & Analysis Stakeholder Engagement Financial Statements
	207-4	Country-by-country reporting	-	-	Not Applicable
MATERIALS					
GRI 301: Materials 2016	**301-1**	Materials used by weight or volume	8; 12	66	Preventing Depletion of Natural Resources
	301-2	Recycled input materials used	-	-	Not Applicable
	301-3	Reclaimed products and their packaging materials	-	-	Not Applicable
ENERGY					
GRI 3: Material Topic	**302-1**	Energy consumption within the organisation	6; 7; 8 ; 9; 11; 12; 13; 14; 15; 17	46-49 66-74	Materiality Matters and Sustainability Strategy ESG STRATEGY 3 Nature: Reducing Environmental Footprint
GRI 302: Energy 2016	**302-2**	Energy consumption outside of the organisation	7; 8; 12; 13	-	Establishing Groundworks
	302-3	Energy intensity	6; 7; 8 ; 9; 11; 12; 13; 14; 15; 17	66-74	ESG STRATEGY 3 Nature: Reducing Environmental Footprint

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GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
ENERGY (continued)					
GRI 302: Energy 2016	**302-4**	Reduction of energy consumption	6; 7; 8; 12; 13	66-74	ESG STRATEGY 3 Nature: Reducing Environmental Footprint
	302-5	Reductions in energy requirements of products and services	7; 8 ;12; 13	66-71	Promoting Responsible Consumption and Climate Change
WATER AND EFFLUENTS					
GRI 3: Material Topic	**303-1**	Interactions with water as a shared resource	3; 6; 12	46-49 66-74	Materiality Matters and Sustainability Strategy ESG STRATEGY 3 Nature: Reducing Environmental Footprint
GRI 303: Water and Effluents 2018	**303-2**	Management of water discharge-related impacts	3; 6; 12	66-74	ESG STRATEGY 3 Nature: Reducing Environmental Footprint
	303-3	Water withdrawal	6; 12	-	Not Applicable
	303-4	Water discharge	3; 6; 12	66-74	ESG STRATEGY 3 Nature: Reducing Environmental Footprint
	303-5	Water consumption	6	66-74	ESG STRATEGY 3 Nature: Reducing Environmental Footprint
BIODIVERSITY					
GRI 3: Material Topic	**3-3**	Management of material topics	14; 15	46-49 66-74	Materiality Matters and Sustainability Strategy ESG STRATEGY 3 Nature: Reducing Environmental Footprint
GRI 304: Biodiversity 2016	**304-1**	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3; 6; 13; 14; 15	66-74 68	ESG STRATEGY 3 Nature: Reducing Environmental Footprint Protecting the Environment to Preserve Biodiversity
	304-2	Significant impacts of activities, products and services on biodiversity	3; 6; 13; 14; 15	66-74 68	ESG STRATEGY 3 Nature: Reducing Environmental Footprint Protecting the Environment to Preserve Biodiversity
	304-3	Habitats protected or restored	6; 13; 14; 15	66-74	ESG STRATEGY 3 Nature: Reducing Environmental Footprint
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	6; 13; 14; 15	-	-
EMISSIONS					
GRI 3: Material Topic	**3-3**	Management of material topics	7; 13	46-49 66-74	Materiality Matters and Sustainability Strategy ESG STRATEGY 3 Nature: Reducing Environmental Footprint
GRI 305: Emissions 2016	**305-1**	Direct (Scope 1) GHG emissions	3; 12; 13; 14; 15	71	Strategic Emission Management for Climate Resilience
	305-2	Energy indirect (Scope 2) GHG emissions	3; 12; 13; 14; 15	71	Strategic Emission Management for Climate Resilience
	305-3	Other indirect (Scope 3) GHG emissions	3; 12; 13; 14; 15	71	Strategic Emission Management for Climate Resilience
	305-4	GHG emissions intensity	3; 13; 14; 15	71	Strategic Emission Management for Climate Resilience
	305-5	Reduction of GHG emissions	3; 12; 13; 14; 15	71	Strategic Emission Management for Climate Resilience
	305-6	Emissions of ozone-depleting substances ("ODS")	3; 12; 13; 14; 15	71	Strategic Emission Management for Climate Resilience
	305-7	Nitrogen oxides ("NOx"), sulfur oxides ("SOx"), and other significant air emissions	3; 12; 13; 14; 15	-	-
WASTE					
GRI 3: Material Topic	**3-3**	Management of material topics	12; 14; 15	46-49 66-74	Materiality Matters and Sustainability Strategy ESG STRATEGY 3 Nature: Reducing Environmental Footprint
GRI 306: Waste 2020	**306-1**	Waste generation and significant waste-related impacts	3; 6; 11; 12	69-74	Pollution Prevention for Environmental Integrity and Community Wellbeing
	306-2	Management of significant waste-related impacts	3; 8; 11; 12	69-74	Pollution Prevention for Environmental Integrity and Community Wellbeing
	306-3	Waste generated	3; 6; 11; 12; 15	69-74	Pollution Prevention for Environmental Integrity and Community Wellbeing
	306-5	Waste directed to disposal	3; 6; 11; 12; 15	69-74	Pollution Prevention for Environmental Integrity and Community Wellbeing

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GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 3: Material Topic	**3-3**	Management of material topics	7; 12; 13; 17	46-49 73	Materiality Matters and Sustainability Strategy Building Resilience in Our Supply Chain
GRI 308: Supplier 2016	**308-1**	New suppliers that were screened using environmental criteria	-	73	Building Resilience in Our Supply Chain
	308-2	Negative environmental impacts in the supply chain and actions taken	-	73	Building Resilience in Our Supply Chain
EMPLOYMENT					
GRI 3: Material Topic	**3-3**	Management of material topics	5; 8; 10	46-49 56-65	Materiality Matters and Sustainability Strategy ESG STRATEGY 2 Wellbeing: Cultivating a Healthy & Safe Workplace
GRI 401: Employment 2016	**401-1**	New employee hires and employee turnover	5; 8; 10	56-59	Creating Employment
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3; 5; 8	60	Providing Fair Compensation
	401-3	Parental leave	3; 5; 8	60	Providing Fair Compensation
LABOUR/MANAGEMENT RELATIONS					
GRI 402: Labour/Management Relations 2016	**402-1**	Minimum notice periods regarding operational changes	8	-	Minimum 24 Hours Notice Period
OCCUPATIONAL HEALTH AND SAFETY					
GRI 403: Occupational Health and Safety 2018	**403-1**	Occupational health and safety management system	3; 8	56-65	ESG STRATEGY 2 Wellbeing : Cultivating a Healthy & Safe Workplace
	403-2	Hazard identification, risk assessment, and incident investigation	3; 8	56-65	ESG STRATEGY 2 Wellbeing : Cultivating a Healthy & Safe Workplace
	403-3	Occupational health services	3; 8	56-65	ESG STRATEGY 2 Wellbeing : Cultivating a Healthy & Safe Workplace
	403-4	Worker participation, consultation, and communication on occupational health and safety	3; 8; 16	56-65	ESG STRATEGY 2 Wellbeing : Cultivating a Healthy & Safe Workplace
	403-5	Worker training on occupational health and safety	3; 8	56-65	ESG STRATEGY 2 Wellbeing : Cultivating a Healthy & Safe Workplace
	403-6	Promotion of worker health	3; 8	56-65	ESG STRATEGY 2 Wellbeing : Cultivating a Healthy & Safe Workplace
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3; 8	56-65	ESG STRATEGY 2 Wellbeing : Cultivating a Healthy & Safe Workplace
	403-8	Workers covered by an occupational health and safety management system	3; 8	56-65	ESG STRATEGY 2 Wellbeing : Cultivating a Healthy & Safe Workplace
	403-9	Work-related injuries	3; 5; 8	118-119	Performance Data Table
	403-10	Work-related ill health	3; 8; 16	118-119	Performance Data Table
TRAINING AND EDUCATION					
GRI 3: Material Topic	**3-3**	Management of material topics	4; 5; 8	46-49 56-65	Materiality Matters and Sustainability Strategy ESG STRATEGY 2 Wellbeing: Cultivating a Healthy & Safe Workplace
GRI 404: Training and Education 2016	**404-1**	Average hours of training per year per employee	4; 5; 8	63	Strengthening Competencies
	404-2	Programmes for upgrading employee skills and transition assistance programmes	4; 5; 8	63	Strengthening Competencies
	404-3	Percentage of employees receiving regular performance and career development reviews	5; 8; 10	-	Annually

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GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: Material Topic	**3-3**	Management of material topics	4; 5; 8	46-49 56-65	Materiality Matters and Sustainability Strategy ESG STRATEGY 2 Wellbeing: Cultivating a Healthy & Safe Workplace
GRI 405: Diversity and Equal Opportunity 2016	**405-1**	Diversity of governance bodies and employees	5; 8	20-27 56-59	Board of Directors' Profile Creating Employment
	405-2	Ratio of basic salary and remuneration of women to men	5; 8; 10	60-61	The basic salary and remuneration we offer is based on the market rate and internal equity of the respective positions as well as the employee's skill set and experience. As far as possible, we strive to offer all our employees comparable compensation structures and monitor compliance with minimum standards.
NON-DISCRIMINATION					
GRI 406: Non-discrimination 2016	**406-1**	Incidents of discrimination and corrective actions taken	5; 8	61	No occurrences of discrimination of any type was reported during FY2024.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 407: Freedom of Association and Collective Bargaining 2016	**407-1**	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	8	-	AZRB does not use collective bargaining but engages in discussions with employees on various matters, including compensation, benefits, workplace conditions, and relevant issues.
CHILD LABOUR					
GRI 408: Child Labour 2016	**408-1**	Operations and suppliers at significant risk for incidents of child labour	5; 8; 16	56	AZRB opposes to child labour or other forms of exploitation that also includes our vendors and suppliers.
FORCED OR COMPULSORY LABOUR					
GRI 409: Forced or Compulsory Labour 2016	**409-1**	Operations and suppliers at significant risk for incidents of forced or compulsory labour	5; 8; 16	56	AZRB opposes to forced or compulsory labour or other forms of exploitation that also includes our vendors and suppliers.
SECURITY PRACTICES					
GRI 410: Security Practices 2016	**410-1**	Security personnel trained in human rights policies or procedures	16	-	We outsource security to providers under service agreements, ensuring SOP compliance.
RIGHTS OF INDIGENOUS PEOPLES					
GRI 411: Rights of Indigenous Peoples 2016	**411-1**	Incidents of violations involving rights of indigenous peoples	2; 16	-	No Incidents reported during FY2024
LOCAL COMMUNITIES					
GRI 3: Material Topic	**3-3**	Management of material topics	11	46-49 75-76	Materiality Matters and Sustainability Strategy ESG STRATEGY 4 Social: Enhancing Local Community
GRI 413: Local Communities 2016	**413-1**	Operations with local community engagement, impact assessments, and development programmes	1; 2; 3, 4, 8, 9, 11, 16, 17	75-76	ESG STRATEGY 4 Social: Enhancing Local Community
	413-2	Operations with significant actual and potential negative impacts on local communities	1; 2; 3, 4, 8, 9, 11, 16, 17	75-76	ESG STRATEGY 4 Social: Enhancing Local Community
SUPPLIER SOCIAL ASSESSMENT					
GRI 414: Supplier Assessment 2016	**414-1**	New suppliers that were screened using social criteria	5; 8; 16	-	Establishing Groundwork
	414-2	Negative social impacts in the supply chain and actions taken	5; 8; 16	-	Establishing Groundwork
PUBLIC POLICY					
GRI 415: Public Policy 2016	**415-1**	Political contributions	16	-	None

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GRI STANDARD/OTHER SOURCE	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
CUSTOMER HEALTH AND SAFETY					
GRI 416: Customer Health and Safety 2016	**416-1**	Assessment of the health and safety impacts of product and service categories	3; 16	69-70 54	Pollution Prevention for Environmental Integrity and Community Wellbeing Quality Product and Services
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3; 16	-	No incidents reported during FY2024
MARKETING AND LABELLING					
GRI 417: Marketing and Labelling 2016	**417-1**	Requirements for product and service information and labeling	12	-	AZRB abides by policies and guidelines under the Housing Development Act ("HDA") and the Strata Management Act.
	417-2	Incidents of non-compliance concerning product and service information and labeling	16	-	AZRB has not been notified through the available channels of any significant sanction for non-compliance concerning product and service information and labeling
	417-3	Incidents of non-compliance concerning marketing communications	16	-	AZRB has not been notified through the available channels of any significant sanction for non-compliance concerning product and service information and labeling
CUSTOMER PRIVACY					
GRI 3: Material Topic	**3-3**	Management of material topics	11	46-49	Materiality Matters and Sustainability Strategy
GRI 418: Customer Privacy 2016	**418-1**	Substantiated complaints concerning breaches of customer privacy and losses of customer data	16	118-119	Performance Data Table (0)

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