

# Annual Report & CG Report

## ADVANCECON HOLDINGS BERHAD

Annual Report for Financial Year Ended 31 Dec 2024

Subject Annual Report & CG Report - 2024

Please refer attachment below.

### Attachments

[Advancecon - Annual Report 2024.pdf](#)

1.7 MB

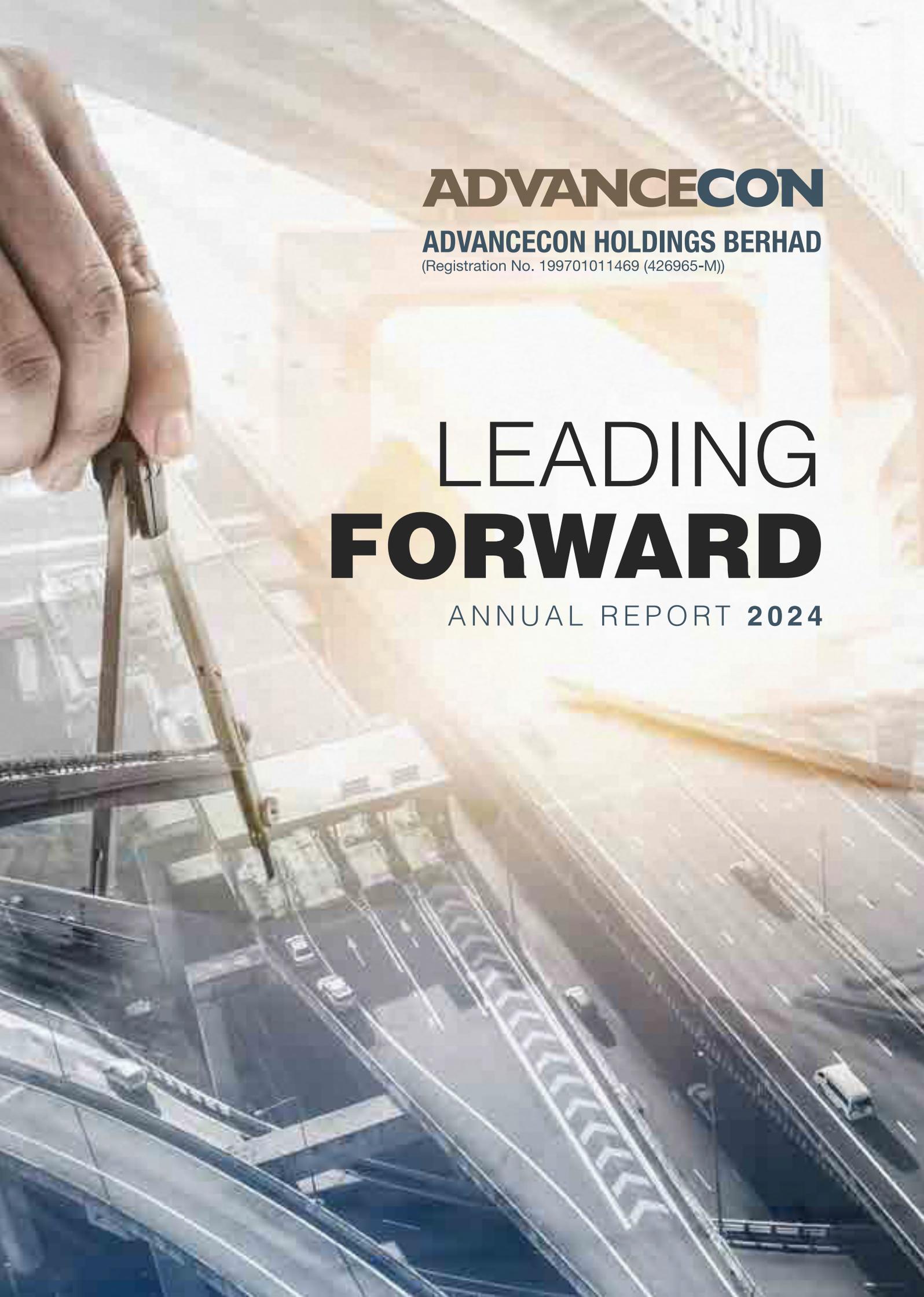
[Advancecon - Corporate Governance Report 2024.pdf](#)

531.6 kB

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### Announcement Info

<b>Company Name</b>	ADVANCECON HOLDINGS BERHAD
<b>Stock Name</b>	ADVCON
<b>Date Announced</b>	30 Apr 2025
<b>Category</b>	Document Submission
<b>Reference Number</b>	DCS-29042025-00233



**ADVANCECON**

**ADVANCECON HOLDINGS BERHAD**  
(Registration No. 199701011469 (426965-M))

# LEADING **FORWARD**

ANNUAL REPORT **2024**



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SCAN ME

For more information on Advancecon Holdings Berhad Directory, please scan the QR code or visit our website [www.advancecon.com.my](http://www.advancecon.com.my)

# ABOUT ADVANCECON



## PURPOSE

Transforming nations by building strong foundations for a better future.



## VISION

To be a global leader in infrastructure, earthworks and renewable energy.



## MISSION

Nurture industry leaders to build the foundations that connect people and transform nations.



[www.advancecon.com.my](http://www.advancecon.com.my)



# 28<sup>th</sup> ANNUAL GENERAL MEETING

## VENUE

The meeting will be held at Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan.

## DATE & TIME

10.00 a.m. Wednesday, 18 June 2025



## VALUES



**A**

Always take  
Ownership



**D**

Deliver  
WOW



**V**

Value and  
Driven by  
Professionalism



**A**

Appreciate  
and  
Recognize



**N**

Nurture for  
Growth



**C**

Commitment,  
Competency &  
Consistency



**E**

Engineerise  
Innovation

# CORPORATE INFORMATION



## BOARD OF DIRECTORS



### YEOH CHONG KEAT

Independent  
Non-Executive Chairman

### TUNG KAI HUNG

Executive Director

### JANANEE PRIYA A/P GOPAL

Independent  
Non-Executive Director

### DATO' PHUM ANG KIA

Executive Director and  
Group Chief Executive Officer

### MOHD ZAKY BIN OTHMAN

Independent  
Non-Executive Director

### AUDIT COMMITTEE

Mohd Zaky Bin Othman (*Chairman*)  
Yeoh Chong Keat  
Jananee Priya A/P Gopal

### REMUNERATION COMMITTEE

Jananee Priya A/P Gopal (*Chairperson*)  
Yeoh Chong Keat  
Mohd Zaky Bin Othman

### NOMINATION COMMITTEE

Yeoh Chong Keat (*Chairman*)  
Mohd Zaky Bin Othman  
Jananee Priya A/P Gopal

### RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Jananee Priya A/P Gopal (*Chairperson*)  
Tung Kai Hung  
Lim Kok Tiong  
Yap Teck Hock  
(*Appointed on 14 February 2025*)

### EMPLOYEES SHARE OPTION SCHEME COMMITTEE

Yeoh Chong Keat (*Chairman*)  
Tung Kai Hung  
Mohd Zaky Bin Othman  
Jananee Priya A/P Gopal

### COMPANY SECRETARIES

Tan Tong Lang (*SSM PC No.*  
*202208000250/ MAIGSA 7045482*)  
Low Ven Sin (*SSM PC No.*  
*202208000340/ MAIGSA 7076080*)

### REGISTERED OFFICE

B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur  
W.P. Kuala Lumpur  
Telephone no.: 03-9770 2200  
Facsimile no.: 03-2201 7774  
Email: boardroom@boardroom.com.my

### HEAD OFFICE

No. 16, 18 & 20, Jalan Pekaka 8/3  
Seksyen 8, Kota Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan  
Telephone no.: 03-6157 9563  
Facsimile no.: 03-6157 0469

### AUDITORS

Messrs. UHY Malaysia PLT  
(LLP 0041391-LCA & AF 1411)  
Chartered Accountants  
Suite 11.05, Level 11  
The Gardens South Tower  
Mid Valley City Lingkaran Syed Putra  
59200 Kuala Lumpur  
W.P. Kuala Lumpur  
Telephone no.: 03-2279 3088  
Facsimile no.: 03-2279 3099

### PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad  
Ambank(M) Berhad  
Bank of China (Malaysia) Berhad  
CIMB Bank Berhad  
Hong Leong Bank Berhad  
HSBC Bank Malaysia Bhd  
Public Bank Berhad  
United Overseas Bank (Malaysia)  
Berhad

### SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Telephone no.: 03-7890 4700  
Facsimile no.: 03-7890 4670  
Email: BSR.Helpdesk@  
boardroomlimited.com

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Construction  
Stock Code.: ADVCON  
Stock No.: 5281

### DATE & PLACE OF INCORPORATION

9 April 1997, Malaysia

### WEBSITE

[www.advancecon.com.my](http://www.advancecon.com.my)

### LISTING DATE

10 July 2017

### REGISTRATION NO.

199701011469 (426965-M)

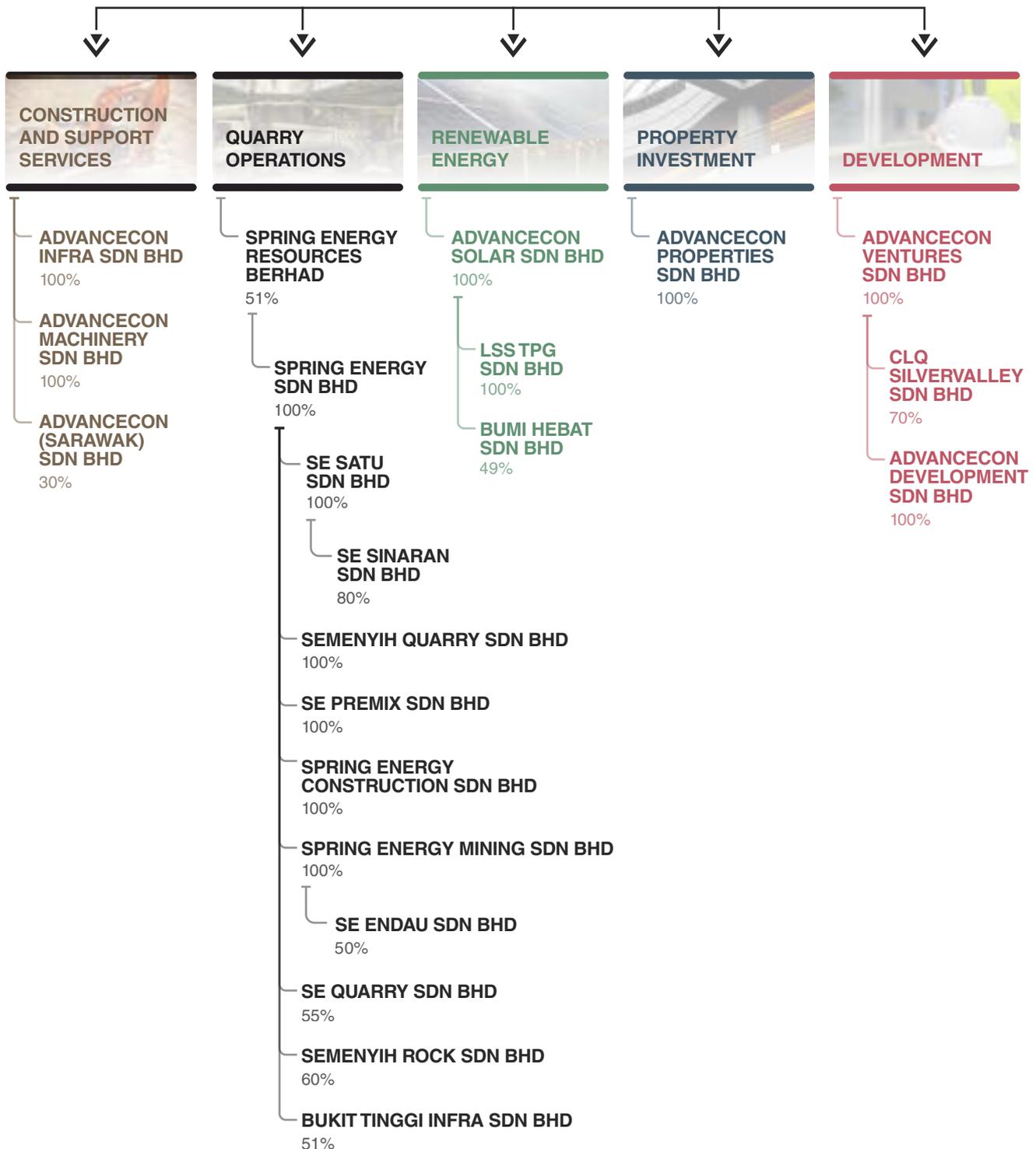
# CORPORATE STRUCTURE



## ADVANCECON

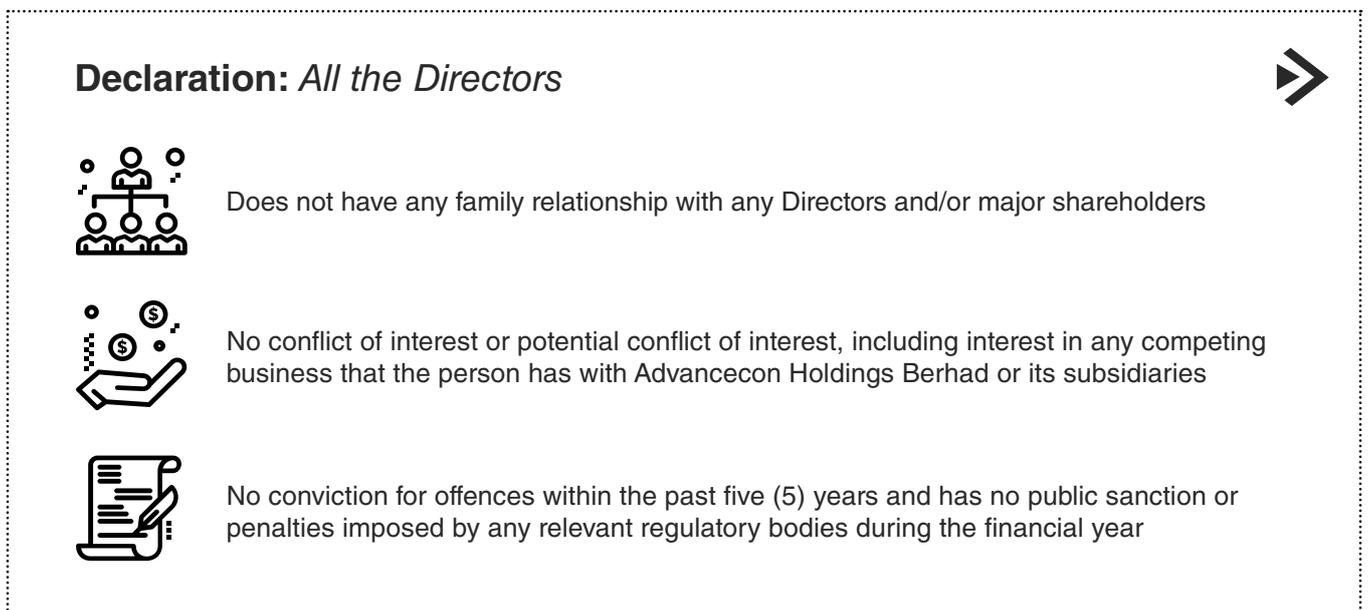
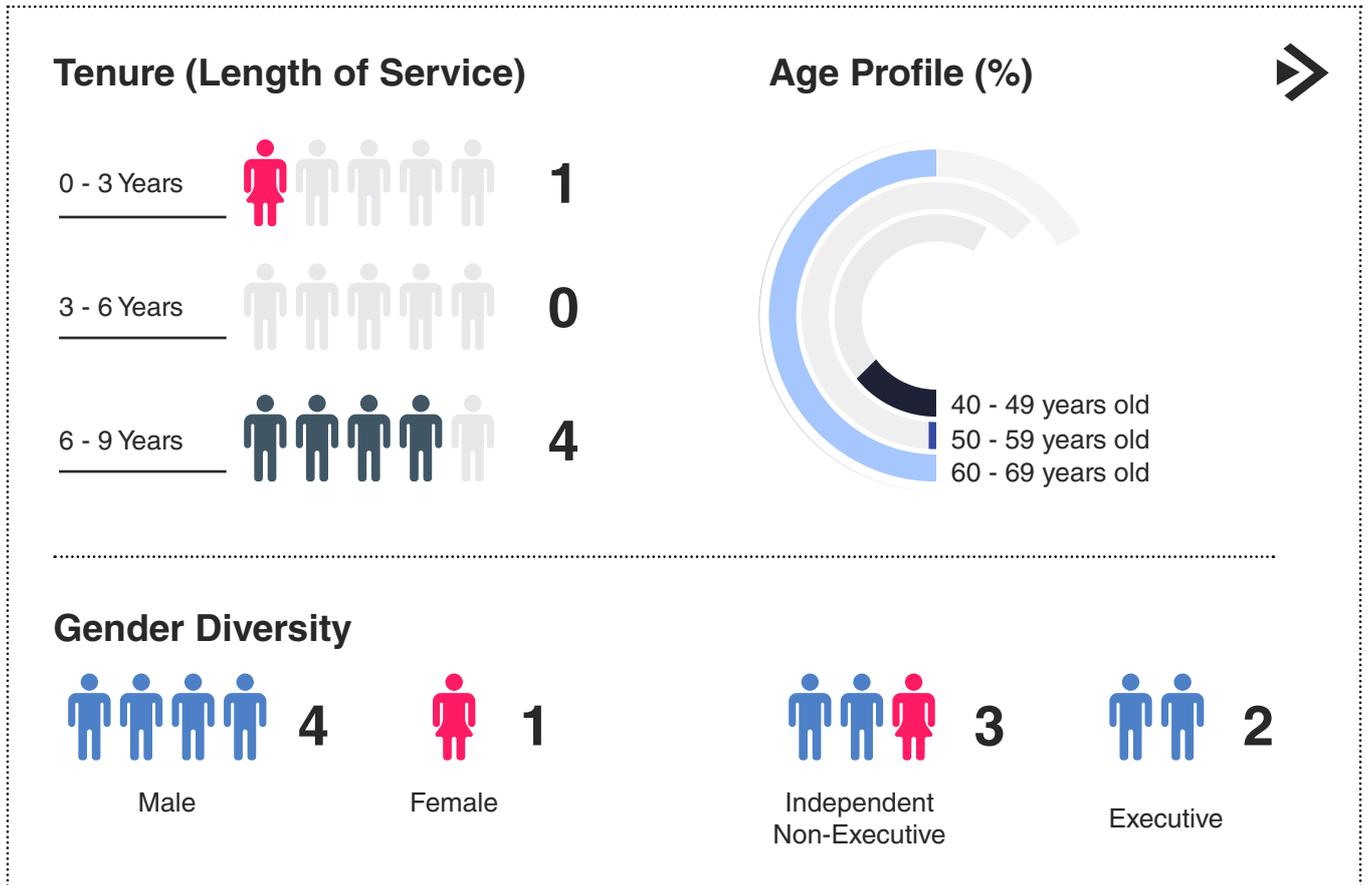
### ADVANCECON HOLDINGS BERHAD

(Registration No. 199701011469 (426965-M))



# DIRECTORS' PROFILE

## Board Composition



# DIRECTORS' PROFILE

## YEOH CHONG KEAT

Independent Non-Executive Chairman

 Malaysian

 Male

 67 years old



**Date of Appointment:** 01 August 2016

### Academic / Professional Qualifications:

- Foundation Course in Accountancy from City of Birmingham Polytechnic, United Kingdom (1978)
- Fellow of the Institute of Chartered Accountants in England and Wales
- Chartered Accountant of the Malaysian Institute of Accountants
- Fellow of the Chartered Tax Institute of Malaysia

### Directorships of other Public Listed Companies:

- AbleGroup Berhad (Listed on Main Market of Bursa Securities)



### Working Experience:

Mr. Yeoh began his career in 1978 on a training contract with Deloitte Haskins & Sells, United Kingdom. After qualifying as a Chartered Accountant in 1982, he left Deloitte U.K. and joined Messrs Deloitte KassimChan, Kuala Lumpur as Audit Supervisor and subsequently transferred to the Tax Division of Deloitte as a Tax Manager. He has work experience in the areas of audit, tax, management consulting, and corporate turnarounds and restructuring.

In 1988, Mr. Yeoh joined PFA Corporate Services Sdn Bhd ("PFA") as an Executive Director, providing corporate secretarial and advisory services to multinationals corporations, public listed companies and private limited companies.

Mr. Yeoh left PFA in 2000 and founded Archer Corporate Services Sdn Bhd ("Archer"), a company providing corporate secretarial and advisory services to public listed and private entities and he is the President/Chief Executive Officer of Archer.

He has attended all six (6) Board Meetings held during the financial year ended 31 December 2024.

# DIRECTORS' PROFILE

## DATO' PHUM ANG KIA

Executive Director &  
Group Chief Executive Officer

-  Malaysian
-  Male
-  67 years old



**Date of Appointment:** 09 April 1997

**Directorships of other Public Listed Companies:**  
NIL



### Academic / Professional Qualification & Working Experience:

As the co-founder and Group CEO, he is responsible for our Group's overall business development which includes setting our Group's direction, formulating the corporate development plan and driving our business growth. In addition, he is also involved in overseeing the daily on-site operations and contracts as well as operations related matters.

Dato' Phum started his family business in Soon Kim Trading & Engineering which was subsequently incorporated as a private limited company in 1990 under the name of Pembinaan Sin Soon Kim Sdn. Bhd. Subsequently, it changed its name to Advancecon Infra Sdn Bhd in 2010. During the early stage, the Company was mainly involved in civil engineering services, construction of main drains, road works, sewerage systems and hiring services of heavy machinery and equipment.

Advancecon Sdn Bhd was incorporated in 1993 to expand the construction business, after which Advancecon Group was established in 2010 pursuant to an internal reorganisation exercise. With Dato' Phum's wealth of experience in the construction industry of more than forty years, he was the driving force in raising the Company's profile from a small contractor to a public listed company on the Main Market of Bursa Malaysia.

He has attended all six (6) Board Meetings held during the financial year ended 31 December 2024.



He is a major shareholder of the Company



No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries except by virtue of being the father of Phum Boon Lim, who is the shareholder of a company in the rooftop solar business

# DIRECTORS' PROFILE

## TUNG KAI HUNG

Executive Director

 Malaysian

 Male

 62 years old



**Date of Appointment:** 01 August 2016

**Academic / Professional Qualifications:**

- Diploma in Technology (Building) from Tunku Abdul Rahman College, Malaysia (1986)

**Directorships of other Public Listed Companies:**

NIL



**Working Experience:**

In 1999, Mr. Tung joined Advancecon Sdn Bhd as Senior Contracts Executive where he was responsible for the overall contract management functions including overseeing the operations of submission of tenders and cost estimates preparation. His roles include selection of our subcontractors and suppliers for all our construction projects.

In 2010, Advancecon Group was established pursuant to an internal reorganisation exercise undertaken whereby Mr Tung assumed the role of General Manager of Contracts since then. He is now the Operations Director of Advancecon Infra Sdn Bhd.

He has more than thirty years of working experience in the construction industry and has been instrumental in the Initial Public Offering of Advancecon Holdings Berhad.

He has attended five (5) out of six (6) Board Meetings held during the financial year ended 31 December 2024.

## DIRECTORS' PROFILE

# MOHD ZAKY BIN OTHMAN

Independent Non-Executive Director

-  Malaysian
-  Male
-  68 years old



**Date of Appointment:** 01 August 2016

**Academic / Professional Qualifications:**

- Bachelor of Science Degree in Business Administration (Finance) from California State University Fresno, United States (1984)
- Master of Science in Finance (Corporate Finance) from Golden Gate University, San Francisco, United States (1992)

**Directorships of other Public Listed Companies:**

NIL



**Working Experience:**

En. Mohd Zaky began his career as an Accounts Executive in 1985 and worked overseas for ten years. In 1995, he returned to Malaysia and joined Keretapi Tanah Melayu Berhad (“KTMB”) where he spent approximately eighteen years before his retirement in 2013. During his tenure with KTMB, he served in various positions within the KTMB group of companies.

En. Mohd Zaky has over thirty years of experience working in the corporate world.

He has attended all six (6) Board Meetings held during the financial year ended 31 December 2024.

# DIRECTORS' PROFILE

## JANANEE PRIYA A/P GOPAL

Independent Non-Executive Director

-  Malaysian
-  Female
-  45 years old



**Date of Appointment:** 01 October 2023

**Academic / Professional Qualifications:**

- LL.B (Hons.) Northumbria University, United Kingdom (2006)
- Barrister-at-Law (Lincoln's Inn), United Kingdom (2008)

**Directorships of other Public Listed Companies:**

NIL



**Working Experience:**

Jananee Gopal was admitted as an Advocate & Solicitor of the High Court of Malaya in 2008.

She started her career in legal practice primarily focusing on civil and corporate litigation. Jananee Gopal established her private practice in 2018 and is now the Managing Partner of Messrs. Salleh Gopal. She has been an active litigator for 17 years and has successfully represented clients, in both civil and commercial disputes.

She has attended all six (6) Board Meetings held during the financial year ended 31 December 2024.

## PROFILE OF KEY SENIOR MANAGEMENT

### Alicia Chin Mei Yoke

Group Chief Financial Officer

- 📍 Malaysian
- 👤 Female
- 📅 48 years old



**Date appointed to the Key Senior Management position :** 17 April 2025

---

Alicia Chin Mei Yoke (“Alicia”), a Malaysian female, aged 48, is our Group Chief Financial Officer. Madam Alicia is an accomplished finance leader with over 25 years of experience in financial management, strategic planning, and transformation leadership, primarily within the oil and gas industry.

She has held various senior leadership positions across Asia Pacific with renowned multinational corporations, including Baker Hughes and General Electric.

Her most recent role was as Assistant Controller & Transformation Leader at Baker Hughes’ Global Finance Organization, where she led organizational design strategies and spearheaded initiatives to enhance profitability, operational efficiency, and compliance.

Her strategic acumen and collaborative leadership significantly improved financial performance and operational outcomes.

Alicia is a graduate of General Electric’s GE Financial Management Program, certified GE’s Six Sigma Black Belt and is also a Certified Performance coach.

Presently, she does not hold any directorship in any public listed companies. She does not have any family relationship with any Directors and/or major shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the Company. She has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2024.

# PROFILE OF KEY SENIOR MANAGEMENT



## Lim Kok Tiong

Director - Infrastructure and Highway

-  Malaysian
-  Male
-  52 years old

**Date appointed to the Key Senior Management position : 01 December 2017**

---

Lim Kok Tiong, a Malaysian male, aged 52, is our Director of Infrastructure and Highway. He is responsible for overseeing the execution of all Infrastructure and Highway construction projects undertaken by the Group. He is a visionary and strategic leader with over twenty years of working experience in project management within the construction industry. Throughout his career, he has a proven track record of driving growth, improving operational efficiency, and delivering exceptional results that contributed to the achievements and successes of the Group.

With a keen understanding of market trends and customer needs, he has effectively leveraged his talent to identify and capitalise on growth opportunities. He has successfully led cross-functional teams to develop and implement effective strategies that have resulted in significant revenue growth and market share expansion. Within the organisation, he is known to be a collaborative and inspiring leader, with a talent for building high-performing teams.

He holds a first-class honours degree in Civil and Structural Engineering from the University Kebangsaan Malaysia which he was conferred in 1998. Subsequently, he continued to obtain a Master of Business Administration from the University of Lincoln, United Kingdom in 2002.

He began his career as an engineer where he was involved in the design of building structure, specifically on steel works projects. Subsequently, he joined Gabungan Cekapbina Sdn Bhd to build his career honed towards project management. He joined Advancecon Sdn Bhd in 2006 as a Project Manager and progressed in his career, eventually being appointed as the Director of Infrastructure and Highway in 2022. He also serves as a member of the Risk Management and Sustainability Committee, contributing to the Group's strategic oversight in these critical areas.

Presently, he does not hold any directorship in any public listed companies. He does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the Company. He has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2024.

## PROFILE OF KEY SENIOR MANAGEMENT



### **Puah Kian Yiew**

Director – Earthworks

-  Malaysian
-  Male
-  49 years old

**Date appointed to the Key Senior Management position : 01 December 2017**

---

Puah Kian Yiew, a Malaysian male, aged 49, is our Director of Earthworks. He oversees the planning, coordination, and operations of all heavy machinery and equipment within our Group. With over 20 years of experience in operational management in the construction industry, he brings extensive expertise to his role. He holds a Bachelor of Science in Building Construction Management from Sheffield Hallam University, United Kingdom, graduating in 2000.

He began his career in 2000 as a Supervisor at Gabungan Cekapbina Sdn Bhd, where he was responsible for overseeing on-site construction activities. In 2006, he joined Advancecon Sdn Bhd as an Assistant Project Manager, assisting in the execution and management of construction projects.

In 2010, following an internal reorganisation exercise, Advancecon Group was established, and he assumed the role of Project Manager. He continued to advance in his career and was appointed Director of Earthworks in 2022.

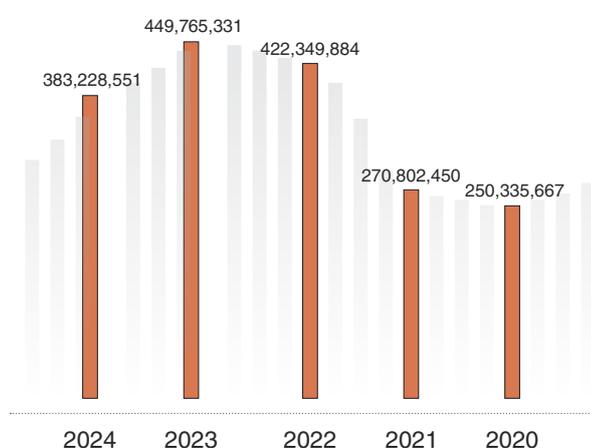
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# FINANCIAL HIGHLIGHTS

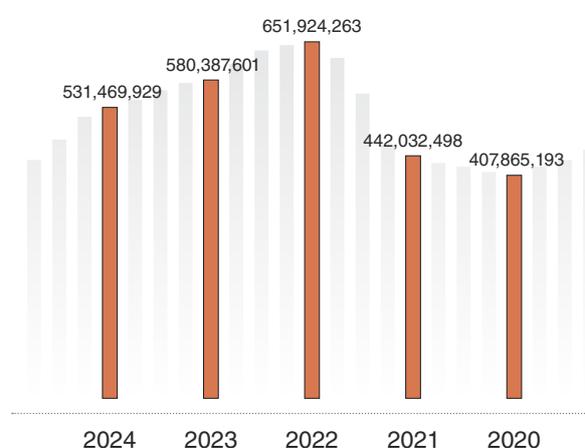


Financial year ended 31 December	2024 RM	2023 RM	2022 RM	2021 RM	2020 RM
<b>Profitability</b>					
Revenue	383,228,551	449,765,331	422,349,884	270,802,450	250,335,667
(Loss) / Profit before taxation	(20,748,663)	(42,938,782)	(19,183,688)	3,976,529	6,646,265
(Loss) / Profit after taxation attributable to:					
Owner of the Company	(22,737,059)	(34,292,692)	(23,358,610)	2,049,957	2,101,045
<b>Key Balance Sheet Data</b>					
Total assets	531,469,929	580,387,601	651,924,263	442,032,498	407,865,193
Total equity	157,945,974	176,155,766	207,237,066	215,575,390	187,560,712
Shareholders' equity	159,957,363	179,146,042	192,216,780	215,575,390	187,560,712
Total Borrowings	230,888,508	216,136,019	255,501,142	126,119,548	133,151,034
Issued share capital (unit)	584,731,900	584,731,900	492,756,000	492,756,000	405,075,000
<b>Share information</b>					
Net (loss) / earnings per share (sen)	(3.95)	(6.20)	(4.83)	0.50	0.53
Net assets per share attributable to owners of the Company (RM)	0.27	0.31	0.39	0.44	0.46
Gearing ratio (times)	1.44	1.21	1.33	0.59	0.71
Return on equity (%)	-14%	-19%	-12%	1%	1%

**Revenue (RM)**

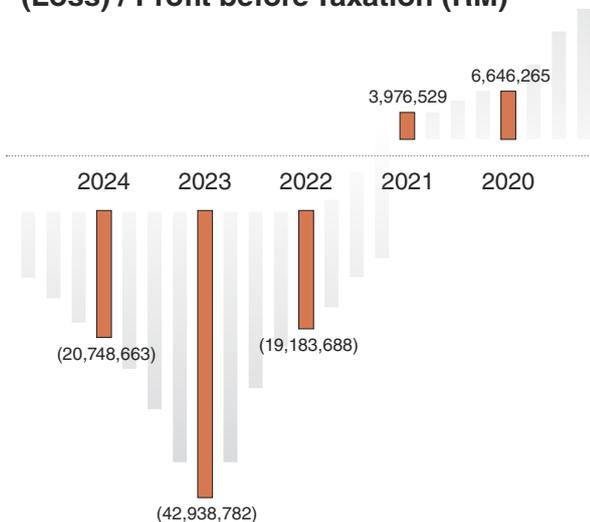


**Total Assets (RM)**

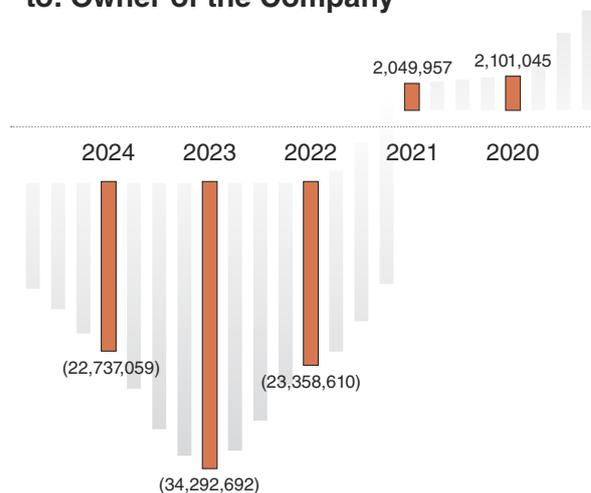


# FINANCIAL HIGHLIGHTS

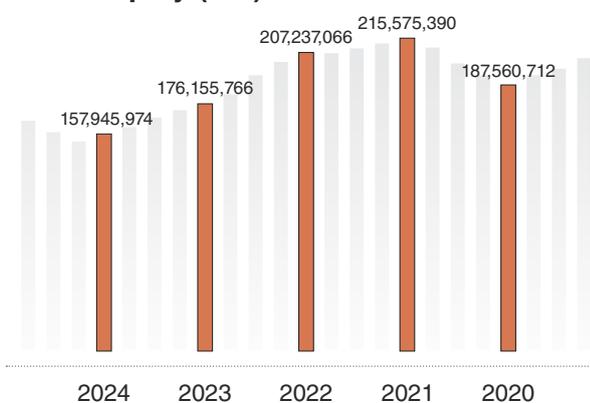
**(Loss) / Profit before Taxation (RM)**



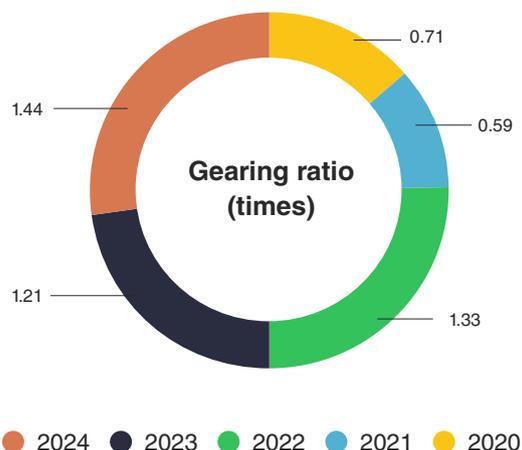
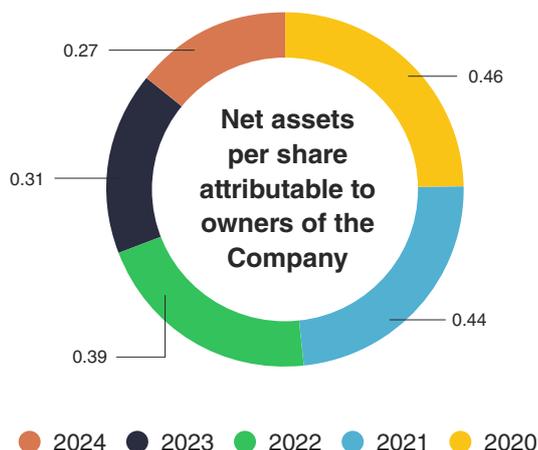
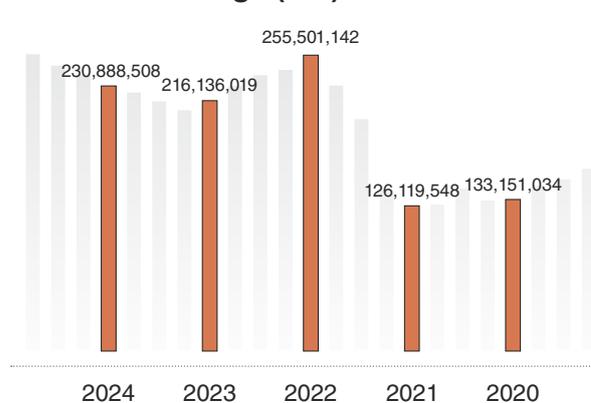
**(Loss) / Profit after Taxation Attributable to: Owner of the Company**



**Total Equity (RM)**



**Total Borrowings (RM)**



# MANAGEMENT DISCUSSION & ANALYSIS



## Dear shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and Audited Financial Statements of Advancecon Holdings Berhad (“ADVANCECON” or “Group”) for the financial year ended 31 December 2024.

The Malaysian economy demonstrated resilience in 2024 despite global economic uncertainties, geopolitical tensions, and inflationary pressures. Driven by steady domestic demand, robust infrastructure spending, and ongoing economic recovery efforts, Malaysia recorded moderate gross domestic product growth. The construction sector, while facing challenges such as rising material costs and supply chain disruptions, continued to be a key pillar of economic expansion. For ADVANCECON, 2024 was a year of adaptability and perseverance. Amidst the evolving market conditions, we remained steadfast in our commitment to delivering excellence across our core business segments. Our ability to navigate challenges and capitalise on opportunities enabled us to maintain operational efficiency while securing strategic projects to drive sustainable growth.



## BUSINESS OVERVIEW

ADVANCECON is a leading civil engineering and infrastructure specialist in Malaysia, with a strong presence in the industry for over three decades. The company is primarily engaged in earthworks, civil engineering, construction services, quarry, property investment, property development and renewable energy solutions, playing a crucial role in Malaysia’s infrastructure development. Our expertise and commitment to excellence have allowed us to build a reputation as a trusted partner in delivering large-scale infrastructure projects across the country.

Our core business is driven by five key segments, each contributing to our overall growth and diversification. Our construction and support services division remains at the heart of our operations, specialising in earthworks and civil engineering services for large-scale developments. This segment has been instrumental in advancing infrastructure projects, ensuring high-quality execution while adapting to industry challenges. Complementing this is our property investment segment, where we focus on the sale and rental of investment properties, creating long-term value through strategic asset management.

In line with the global shift toward sustainability, our green energy division has seen steady growth, particularly in the development and operation of power generation from renewable sources such as solar energy. This segment aligns with Malaysia’s push for greener solutions and supports our vision of becoming a key player in the renewable energy sector. Additionally, our development segment plays a vital role in industrial expansion, focusing on the construction of industrial parks and centralised labour quarters (“CLQs”) that provide compliant, well-structured accommodation solutions for workers. Lastly, our quarry segment supports the infrastructure sector by managing quarry activities and supplying essential materials for construction projects.

# MANAGEMENT DISCUSSION & ANALYSIS



**ON 11 SEPTEMBER 2024, THE GROUP REPURCHASED 58,600 SHARES AT PRICES RANGING FROM RM0.245 TO RM0.260, AMOUNTING TO RM14,889.86. SUBSEQUENTLY, ON 10 DECEMBER 2024, AN ADDITIONAL 462,000 SHARES WERE ACQUIRED AT PRICES BETWEEN RM0.240 AND RM0.245, WITH A TOTAL CONSIDERATION OF RM112,045.40.**



To further strengthen our business portfolio, we have diversified into the property sector, encompassing property development, investment, management, and related businesses. This strategic expansion is expected to generate an additional income stream and enhance our financial stability. Endorsed by shareholders at the Extraordinary General Meeting in December 2024, this move reflects strong confidence in our long-term vision.

In line with this expansion, we have also introduced an Employees' Share Option Scheme aimed at raising RM20 million to support our general working capital needs. This initiative underscores our commitment to sustainable growth and financial prudence while positioning the Group for future expansion.

Furthermore, as part of our commitment to enhancing shareholder value and optimising our capital structure, we strategically executed share buybacks during FYE2024. On 11 September 2024, the Group repurchased 58,600 shares at prices ranging from RM0.245 to RM0.260, amounting to RM14,889.86. Subsequently, on 10 December 2024, an additional 462,000 shares were acquired at prices between RM0.240 and RM0.245, with a total consideration of RM112,045.40. These repurchased shares were retained as treasury shares, increasing our cumulative treasury holdings to 9,901,900 shares, representing 1.69% of the total issued shares.

These strategic initiatives demonstrate our confidence in the Group's long-term growth prospects. They also highlight our proactive approach to managing market volatility while reinforcing value creation for our stakeholders.

# MANAGEMENT DISCUSSION & ANALYSIS



**THROUGHOUT THE FINANCIAL YEAR, WE CONTINUED TO STRENGTHEN OUR POSITION AS A LEADING PLAYER IN THE EARTHWORKS AND CIVIL ENGINEERING INDUSTRY BY SECURING A TOTAL OF SIX CONTRACTS WORTH RM574.3 MILLION.**

## OPERATIONS REVIEW

In FYE2024, ADVANCECON continued to prioritise the execution of earthworks, civil engineering, and construction services while actively advancing our initiatives in the green energy and property sectors.

- **Strong Contract Wins Driving Business Growth**

Throughout the financial year, we continued to strengthen our position as a leading player in the earthworks and civil engineering industry by securing a total of six contracts worth RM646.2 million. These contract wins underscore the Group's resilience and ability to capture opportunities across key infrastructure and development projects in Malaysia.

Among the notable projects awarded to Advancecon Infra Sdn. Bhd. ("AISB"), a wholly-owned subsidiary of the Group, was the RM417.7 million contract for the construction and completion of main infrastructure works at Silver Valley Technology Park ("SVTP"). This major undertaking, secured through Advancecon Development Sdn. Bhd., reinforces our involvement in large-scale industrial development and is expected to support long-term business sustainability.

Additionally, AISB secured infrastructure contracts with Sime Darby Property for developments in Elmina West, Bukit Raja, and Bukit Jelutong, collectively amounting to over RM100 million. These projects involve comprehensive infrastructure works, including roadworks, drainage, sewerage, street lighting, and telecommunication services, further expanding the Group's portfolio in township and mixed development projects.

The Group also won an earthworks and ancillary works contract worth RM27.3 million for a mixed development project in Rawang, awarded by Mujur Minat Sdn. Bhd., as well as a subcontract worth RM21.2 million for the construction and completion of subgrade works for the East Coast Rail Link ("ECRL").

These contract wins demonstrate our solid reputation and trusted expertise in delivering high-quality infrastructure solutions. As we progress into the new financial year, we remain committed to executing these projects efficiently while pursuing additional opportunities in both public and private sector developments.



# MANAGEMENT DISCUSSION & ANALYSIS

- **Strategic Expansion in Mining Services through SESB**

As part of ADVANCECON's ongoing strategic initiatives, Spring Energy Sdn. Bhd. ("SESB"), an indirect 51% owned subsidiary, has expanded its role in the mining sector through its operations at the Gunung Terundum Quarry, situated in the Simpang Pulai/Keramat Pulai area.

Imerys Minerals Malaysia Sdn. Bhd. ("IMMSB"), the registered and beneficial owner of the Quarry, has engaged SESB to manage critical mining-related operations. These include supplying plant, labour, and equipment, overseeing quarry and stockpile management, transportation, waste management, and other related mining services. This expansion aligns with the Group's vision of strengthening its presence in the mining sector while reinforcing SESB's capabilities in delivering high-quality, efficient, and sustainable mining solutions.

- **Growth in CLQ Development**

ADVANCECON continues to strengthen its business portfolio through its wholly-owned subsidiary, Advancecon Ventures Sdn. Bhd. ("AVSB"), and CLQ Silvervalley Sdn. Bhd., an indirect 70% owned subsidiary. Together, they have partnered with Perak Equity Sdn. Bhd. to jointly develop, construct, operate, and manage CLQs in key locations across Perak Darul Ridzuan.

As part of this initiative, AVSB oversees the management of two apartment buildings, Asrama Murni Block A and Asrama Murni Block B, which have been upgraded and refurbished into dormitory-style accommodations that meet CLQ standards. These facilities comply with the Workers' Minimum Standard of Housing and Amenities Act, 1990 (Act 446), ensuring proper living conditions for workers while adhering to regulatory requirements.

In addition, AVSB and its joint venture partner are exploring opportunities to develop new CLQ facilities by identifying suitable land and buildings for future projects. This growth reinforces our presence in the sector while creating new business opportunities and further strengthening the Group's role in infrastructure and construction-related services.



**IN THE FINANCIAL YEAR UNDER REVIEW, ADVANCECON HAS SUCCESSFULLY COMPLETED MULTIPLE KEY CONSTRUCTION PACKAGES UNDER THE ECRL PROJECT.**

- **Successful Completion of ECRL Projects Strengthens Operational Track Record**

In the financial year under review, ADVANCECON has successfully completed multiple key construction packages under the ECRL project. These projects, undertaken as a sub-contractor, encompassed crucial earthworks, subgrade, drainage, and culvert works across various sections in Pahang and Terengganu.

With a total contract value exceeding RM170 million, these works reflect the Group's capabilities in delivering large-scale infrastructure projects on schedule and within quality specifications. Notably, the Maran, Pahang packages, which commenced in September 2020, were completed in April and May 2024, while the Dungun, Terengganu segments, which began between March 2021 and August 2023, were successfully delivered by July 2024.

# MANAGEMENT DISCUSSION & ANALYSIS



**THE QUARRY SEGMENT WAS THE GROUP'S LARGEST REVENUE CONTRIBUTOR, ACCOUNTING FOR NEARLY 52% OF TOTAL REVENUE AT RM197.5 MILLION.**

- **Successful Completion of WCE Section 1 Civil Works**

ADVANCECON has successfully completed the civil works for Section 1 of the West Coast Expressway ("WCE"), covering the stretch from Banting Interchange to SKVE Interchange. This milestone reinforces our expertise in delivering essential infrastructure projects that contribute to Malaysia's transportation network.

Initially slated for completion on 4 June 2019, the project faced delays due to unforeseen challenges. Despite these setbacks, we remained committed to executing the works with precision and adherence to high-quality standards. The project was successfully completed on 14 February 2024, showcasing our resilience and ability to navigate complex project environments.

- **LSS4 Solar PV Plant Achieves COD, Strengthening Recurring Income Stream**

Our Large-Scale Solar 4 ("LSS4") Photovoltaic (PV) Plant in Kuala Langat has successfully achieved its commercial operation date on 8 November 2024, marking a significant milestone in the Group's expansion into renewable energy. With the plant now fully operational, it is generating a stable and recurring income stream, reinforcing our commitment to sustainable growth and diversification beyond our core construction business.

This achievement aligns with our long-term strategy to enhance earnings visibility while contributing to Malaysia's renewable energy goals. The LSS4 Solar PV Plant represents a key step in strengthening our presence in the green energy sector, providing a steady revenue base that complements our infrastructure operations.



## FINANCIAL PERFORMANCE

During the year under review, the Group recorded revenue of RM383.2 million, reflecting a nearly 15% decline from RM449.8 million in the previous year. This decrease was primarily due to the completion of several key projects, resulting in fewer ongoing projects during the reporting period.

The quarry segment was the Group's largest revenue contributor, accounting for nearly 52% of total revenue at RM197.5 million. This represents an increase of RM22.4 million or 13% from RM175.1 million in the previous year, driven by higher sales and improved operational efficiency. This growth aligns with our strategic focus on optimising operations by prioritising larger, more profitable quarries while reducing exposure to smaller, less viable sites, ultimately strengthening the segment's overall performance.

Meanwhile, the construction and support services segment was the Group's second-largest revenue contributor, generating RM182.6 million or 48% of total revenue. However, this represents a decline of RM90.7 million or 33% from RM273.3 million in the previous year. The decrease was primarily due to the sharp rise in construction material costs, extended project timelines caused by labour shortages, and adverse weather conditions.

Within the construction services segment, revenue from civil engineering services stood at RM82.5 million, compared to RM81.6 million in the previous year, reflecting an increase of 0.9%. Meanwhile, revenue from earthworks recorded a 90.7% decrease, reaching RM83.7 million from RM174.5 million in the year under review.

# MANAGEMENT DISCUSSION & ANALYSIS

DESPITE LOWER REVENUE, THE GROUP ACHIEVED A HIGHER GROSS PROFIT OF RM12.3 MILLION IN FYE 2024, MARKING A SIGNIFICANT INCREASE OF RM11.9 MILLION OR 3,238%, DRIVEN BY EFFECTIVE COST CONTROL AND IMPROVEMENT IN OPERATIONAL EFFICIENCY.



THE GROUP ALSO REDUCED ITS NET LOSS TO RM20.7 MILLION, AN IMPROVEMENT OF RM25.2 MILLION OR 55% FROM RM45.9 MILLION IN FYE 2023, THIS WAS PRIMARILY DUE TO THE SUCCESSFUL IMPLEMENTATION OF STRATEGIC COST-CUTTING MEASURES, BETTER GROSS PROFIT MARGINS, AND A REDUCTION IN NON-OPERATING EXPENSES.

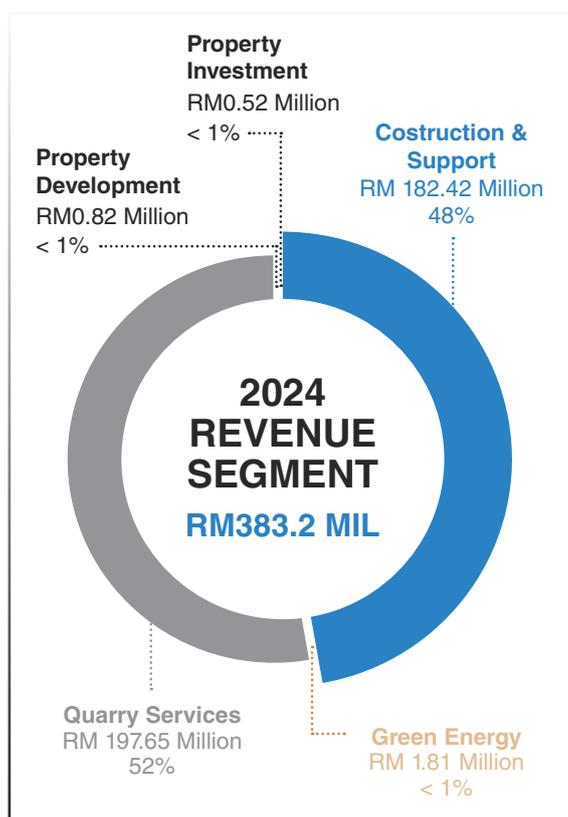
Meanwhile, the Group's support services segment, which complements both earthworks and civil engineering services, experienced a 5.0% decrease in revenue to RM16.4 million from RM17.2 million previously.

The Group's property investment segment saw an increase in revenue to RM0.5 million in FYE2024, up from RM0.4 million previously. Meanwhile, revenue from the green energy segment surged to RM1.8 million from RM0.3 million, driven by electricity sales following the commencement of operations in November 2024. Additionally, the Development segment contributed RM0.8 million to the Group's total revenue.

Despite lower revenue, the Group achieved a higher gross profit of RM12.3 million in FYE 2024, marking a significant increase of RM11.9 million or 3,238%, driven by effective cost control and improvement in operational efficiency.

The Group also reduced its net loss to RM20.7 million, an improvement of RM25.2 million or 55% from RM45.9 million in FYE 2023, This was primarily due to the successful implementation of strategic cost-cutting measures, better gross profit margins, and a reduction in non-operating expenses.

Despite challenging market conditions, the Group's balance sheet remained resilient, with net assets per share amounting to RM0.27 as of 31 December 2024.



Financial Ratio	As at 31 December 2024	As at 31 December 2023
Current Ratio	1.08 times	1.01 times
Gross Gearing	1.44 times	1.21 times
Net Gearing	1.16 times	0.76 times
Total Equity	RM157.9 million	RM176.2 million
Net Asset Per Share	RM0.27	RM0.31

# MANAGEMENT DISCUSSION & ANALYSIS



MEANWHILE, THE SEGAMPUT 2 KOMUTER STATION, SET FOR COMPLETION IN NOVEMBER 2025 WILL ENHANCE CONNECTIVITY IN KUALA LUMPUR'S SUBURBS, SUPPORTING ECONOMIC GROWTH.



BEYOND THESE LARGE-SCALE PROJECTS, THE GOVERNMENT IS ACTIVELY FOSTERING GROWTH IN THE CONSTRUCTION SECTOR THROUGH STRATEGIC POLICIES AND INCENTIVES. THE 12TH MALAYSIAN PLAN PLACES A STRONG EMPHASIS ON SUSTAINABLE DEVELOPMENT, BALANCING ECONOMIC EXPANSION WITH ENVIRONMENTAL PRESERVATION.

## MARKET OUTLOOK AND GROWTH STRATEGIES

As we progress into 2025, Malaysia's construction sector is set for significant growth, fueled by major infrastructure projects and supportive government initiatives. Amongst the key projects driving this expansion is the Merdeka 118, Southeast Asia's tallest building which was inaugurated in January 2024, with the Belfield Tunnel opening in March 2025 to enhance accessibility. The Mutiara Line (Penang LRT), which began construction in January 2025, aims to improve connectivity in Penang, with its first phase expected by 2031. Additionally, the Penang Undersea Tunnel, Malaysia's first undersea tunnel, will link Butterworth to George Town, boosting transportation. Meanwhile, the Segambut 2 Komuter Station, set for completion in November 2025 will enhance connectivity in Kuala Lumpur's suburbs, supporting economic growth.



Beyond these large-scale projects, the government is actively fostering growth in the construction sector through strategic policies and incentives. The 12<sup>th</sup> Malaysian Plan places a strong emphasis on sustainable development, balancing economic expansion with environmental preservation. This includes efforts to enhance infrastructure, promote green technology, and improve public transportation, all of which create extensive opportunities for the construction industry. Furthermore, the government continues to encourage Public-Private Partnerships to leverage private sector expertise and funding for public infrastructure projects, ensuring their timely completion and long-term sustainability. To support the shift towards more eco-friendly construction practices, various tax incentives and grants are being offered for projects incorporating green building technologies and energy-efficient designs. These initiatives not only reduce the environmental impact of construction but also foster innovation and modernisation within the industry.

# MANAGEMENT DISCUSSION & ANALYSIS

With these promising developments, the Group is well-positioned to capitalise on emerging opportunities and will explore key growth strategies to strengthen our market presence:

- **Strengthening Our Order Book for Long-Term Success**

As of 31 December 2024, the Group's outstanding order book stands at RM691 million, providing a solid foundation for future revenue. Moving forward, the Group remains focused on expanding our order book by actively identifying and pursuing new contract opportunities while ensuring the timely and efficient execution of ongoing projects. However, in light of the competitive market landscape and fluctuating building material costs, we will continue to adopt a selective approach in tendering, prioritising projects that align with our financial and operational objectives.

The Group is optimistic about securing new contracts, particularly from large-scale government infrastructure initiatives such as the Penang LRT project and various flood mitigation projects across multiple states. Additionally, we remain confident in our ability to secure private sector projects, leveraging our strong track record and industry expertise. A key driver of future growth will be the continued trust and support from returning clients, reflecting the Group's commitment to delivering quality and reliability. With a strategic focus on sustainability, innovation, and operational excellence, we are well-positioned to navigate industry challenges while capitalising on emerging opportunities for long-term growth.

- **SVTP: Progressing Towards a Premier Industrial Hub**

The Group has commenced development work on SVTP, with site clearing and earthworks already in progress. This marks a significant step forward in transforming the 798.32-acre site in Kanthan, Perak, into a premier industrial hub. The ongoing progress not only demonstrates our commitment to timely execution but also enhances the project's appeal to potential purchasers and tenants by providing visible assurance of its development momentum.



- **Seizing Growth Opportunities in the CLQ Sector**

Following the successful completion of Blocks A and B at Asrama Murni Jelapang, Ipoh, we are poised to expand our presence in the CLQ segment with the planned refurbishment of Blocks C and D. This expansion is driven by the increasing demand for well-equipped and compliant worker accommodations, particularly as businesses strive to adhere to the Employees' Minimum Standards of Housing, Accommodations, and Amenities Act 1990 (Act 446).

With growing regulatory emphasis on improving workers' living conditions, the demand for high-quality CLQs is expected to rise, presenting a significant growth opportunity for the Group. By leveraging our expertise in construction and infrastructure development, we are well-positioned to strengthen our foothold in this essential market.



# MANAGEMENT DISCUSSION & ANALYSIS



- **Advancing Our Green Energy Ambitions with Solar and Hydro Expansion**

The recent commencement of commercial operations at our large-scale solar photovoltaic farm in Kuala Langat on 8 November 2024 marks a significant milestone for the Group, as it now actively contributes to both revenue and profitability. This achievement underscores our commitment to expanding our presence in the renewable energy sector and driving long-term sustainable growth.

Looking ahead, we aim to increase our renewable energy portfolio in 2025. In addition to expanding our solar capacity, we are actively exploring other green energy opportunities, including hydropower projects and additional rooftop solar assets, to further strengthen our position in the sustainable energy space.

## APPRECIATION

On behalf of the Board, I extend my sincere appreciation to our shareholders, customers, business associates, and employees for their unwavering support and commitment. Our team's dedication and expertise have been instrumental in navigating challenges and seizing new opportunities.

I also extend my heartfelt gratitude to our Board of Directors for their steadfast commitment and dedication. Their leadership has been instrumental in guiding the Group through challenges and laying the groundwork for sustained growth and success.

We remain optimistic about the road ahead, committed to enhancing our capabilities, and embracing innovation to ensure sustainable growth for Advancecon Holdings Berhad.

Thank you for your trust and confidence in us.

Sincerely,

**Dato' Phum Ang Kia**  
Executive Director and Group Chief  
Executive Officer



AS OF 31 DECEMBER 2024, THE GROUP'S OUTSTANDING ORDER BOOK STANDS AT RM691 MILLION, PROVIDING A SOLID FOUNDATION FOR FUTURE REVENUE.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO THE DISCLOSURE REQUIREMENTS, THE BOARD OF DIRECTORS (“THE BOARD”) OF ADVANCECON HOLDINGS BERHAD (“ADVANCECON” OR “THE COMPANY”) IS PLEASED TO PRESENT THE CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT (STATEMENT”) WHICH PROVIDES KEY HIGHLIGHTS ON HOW THE COMPANY COMPLIES WITH THE PRINCIPLES AND PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 (“MCCG”) DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”). THIS STATEMENT IS COMPLEMENTED BY A CG REPORT BASED ON A PRESCRIBED FORMAT PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“MMLR”). THE CG REPORT IS AVAILABLE ON THE COMPANY’S WEBSITE WWW.ADVANCECON.COM.MY UNDER THE INVESTOR RELATIONS SECTION. THIS STATEMENT SHOULD ALSO BE READ IN CONJUNCTION WITH THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (“SORMIC”) AND THE RESPECTIVE BOARD COMMITTEE REPORTS IN THE ENSUING PAGES.

THE BOARD CONSTANTLY STRIVES TO ENSURE THAT GOOD CORPORATE PRACTICES ARE CARRIED OUT THROUGHOUT THE COMPANY AND ITS SUBSIDIARIES (“THE GROUP”) AS FUNDAMENTAL TO FULFILLING ITS RESPONSIBILITIES, WHICH INCLUDE PROTECTING AND ENHANCING SHAREHOLDERS’ VALUE AS WELL AS THE FINANCIAL PERFORMANCE OF THE GROUP.

THE BOARD OVERSEES THE OVERALL STRATEGIC AND OPERATIONAL BUSINESS PERFORMANCE AND IS SUPPORTED BY VARIOUS BOARD COMMITTEES IN DISCHARGING OTHER SPECIFIC FUNCTIONS.

THE BOARD WILL ENDEAVOUR TO IMPROVE AND ENHANCE THE CORPORATE GOVERNANCE PRACTICES FROM TIME TO TIME. DETAILS OF HOW THE COMPANY HAS APPLIED THE CG CODE PRINCIPLES AND COMPLIED WITH ITS PRACTICES, ARE SET OUT IN THE CG REPORT. THE EXPLANATION FOR DEPARTURE IS FURTHER DISCLOSED IN THE CG REPORT.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 1. Board Responsibilities

#### a. Roles and Responsibilities

The Board is primarily responsible for the Group’s overall strategic plans for business performance, overseeing the proper conduct of business, succession planning of key management, risk management, shareholders’ communication, internal control, and statutory matters; whilst the Management is accountable for the execution of the adopted policies and attainment of the Group’s corporate objectives. The Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its duties. The Board Charter also acts as a source of reference and primary induction literature in providing insights to Board members and Senior Management.

The Board assumes, amongst others, leadership, due care and fiduciary duties under Companies Act 2016 and applicable laws, the following duties and responsibilities:

- i. together with Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- ii. review, challenge and decide on Management’s proposals for the Company, and monitor its implementation by Management;

# CORPORATE GOVERNANCE OVERVIEW STATEMENT



## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. Board Responsibilities (Cont'd)

#### a. Roles and Responsibilities (Cont'd)

- iii. ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- iv. supervise and assess Management performance to determine whether the business is being properly managed;
- v. ensure there is a sound framework for internal controls, risk management and sustainability;
- vi. understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- vii. set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- viii. ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- ix. ensure that the Company has in place procedures to enable effective communication with stakeholders;
- x. ensure the integrity of the Company's financial and non-financial reporting;
- xi. oversee the establishment, maintenance and review of the Company's Anti-Bribery and Corruption Framework;
- xii. oversee all sustainability matters of the Company as part of its corporate governance and risk management functions; and
- xiii. review and approve the Company's disclosures and strategic direction in relation to sustainability matters.

The Chairman is responsible for the leadership of the Board in ensuring the effectiveness of all aspects of its role, and is primarily responsible for leading the Board in setting the values and standards of the Company, the orderly and effective conduct of the meetings of the Board and shareholders, ensuring the provision of accurate, timely and clear information to Directors as well as facilitating the effective contribution of Non-Executive Directors.

The positions of Chairman and Group Chief Executive Officer ("Group CEO") are held by different individuals with clear and distinct roles. Mr. Yeoh Chong Keat is the Chairman while, Dato' Phum Ang Kia is the Group CEO. The distinct and separate roles of the Chairman and Group CEO with clear division of responsibilities have ensured the balance of power and authority, such that no one individual has unfettered powers of decision making.

The Independent Non-Executive Directors ("INEDs") do not engage in the day-to-day management of the Group. They are not involved in any other relationship with the Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgement. This is to enable the INEDs to discharge their duties and responsibilities effectively and to avoid any conflict of interest situations. The INEDs also provide independent and objective views, assessment and suggestions in deliberations of the Board and ensure effective check and balance in the functioning of the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## **PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**

### **1. Board Responsibilities (Cont'd)**

#### **b. Board Committees**

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has delegated specific responsibilities to the following Board Committees:

- (i) Audit Committee ("AC")
- (ii) Remuneration Committee ("RC")
- (iii) Nomination Committee ("NC")
- (iv) Risk Management and Sustainability Committee ("RMSC")
- (v) Employees' Shares Options Scheme ("ESOS") Committee

Except for ESOS Committee which is governed by its By-Laws, each committee operates within clearly defined Terms of Reference ("TOR"). These Committees are formed in order to enhance business and operational efficiency as well as efficacy. The Chairman of the respective Committees will report to the Board the outcome of their Committee's meetings for the Board's considerations and approvals. The Board retains full responsibility for the direction and control of the Company and the Group.

#### **c. Support Services**

The Board is supported by the Company Secretaries, who are qualified under Section 235 (2) of the Companies Act 2016 ("the Act"). The Company Secretaries play an important role in facilitating the overall compliance with the Act, MMLR and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices in ensuring adherence to the existing Board policies and procedures. The roles and responsibilities of the Company Secretaries have been formalised in the Board Charter which provides reference for Company Secretaries in the discharge of their roles and responsibilities.

The Company Secretaries have also been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the current regulatory changes in laws and regulatory requirements that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

The Board also have access to the advice of both external and internal auditors of the Company and any other independent professional advisers.

#### **d. Board Charter**

The Board's functions are governed and regulated by the Board Charter, Constitution of the Company and the various applicable legislation, MMLR and other regulations and codes. The Board Charter is published on the Company's website at [www.advancecon.com.my](http://www.advancecon.com.my). The Board Charter provides the reference for directors in relation to the Board's role, powers, duties and functions. It also outlines processes and procedures for the Board to be effective and efficient. The Board Charter is periodically reviewed and updated as and when deemed necessary and upon any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT



## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. Board Responsibilities (Cont'd)

#### e. Code of Conduct and Ethics (“Code”)

The Company’s Code is to govern the standards of ethics and good conduct expected from Directors, Management and employees in discharging their duties and responsibilities to the highest standards of personal and corporate integrity. These would help to prevent misconduct, unethical practices and to support the delivery of long-term sustainable success of the Company. The Code is published on the Company’s website at [www.advancecon.com.my](http://www.advancecon.com.my).

#### f. Whistleblowing Policy

The Group acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhering to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace. The Group has in place a Whistleblowing Policy which serves as an avenue for all employees of ADVANCECON and members of the public to disclose any improper conduct within ADVANCECON.

The Policy is designed to facilitate employees and members of the public to disclose any improper conduct (misconduct or criminal offence) through internal channel. Such misconduct or criminal offences include fraud, bribery, abuse of power, conflict of interest, theft or embezzlement, misuse of ADVANCECON’s Property, non-compliance with procedures and sexual harassment.

The above list is not exhaustive and includes any acts or omissions, which if proven, will constitute an act of misconduct under ADVANCECON’s Code of Conduct and Ethics or any criminal offence under relevant legislations in force.

Employees have free access to the AC Chairman and may raise concerns of non-compliance to him. The Whistleblowing Policy, underlining its protection and reporting channels, is available on the Company’s website at [www.advancecon.com.my](http://www.advancecon.com.my).

#### g. Anti-Bribery and Corruption Policy (“ABAC Policy”)

The Board had approved and adopted the ABAC Policy on anti-corruption as guided by the “Guidelines on Adequate Procedures” issued by the Prime Minister’s Department to promote better governance culture and ethical behaviour within our Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020.

The Directors and employees of the Group are expected to observe high standards of integrity and fair dealings in relation to customers, staff and regulators in the communities within which the Group operates and ensure compliance with all applicable laws, rules and regulations to which the Group is bound to observe in the performance of its duties.

The details of the ABAC Policy are available for reference at the Company’s website at [www.advancecon.com.my](http://www.advancecon.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. Board Responsibilities (Cont'd)

#### h. Directors' Fit and Proper Policy

Pursuant to Paragraph 15.01A of the MMLR of Bursa Securities, the Board had approved and adopted the Directors' Fit and Proper Policy which sets out the fit and proper criteria for the appointment and re-election of Directors of the Group. This Policy shall serve as a guide to the NC and the Board in their review and assessment of the fitness and propriety of potential candidates for the appointment or re-election of Directors.

The details of the Directors' Fit and Proper Policy are available for reference at the Company's website at [www.advancecon.com.my](http://www.advancecon.com.my).

### 2. Board Composition

The current Board composition is in compliance with the Constitution and exceeds the minimum one-third requirement of INEDs as set out in the MMLR. The Directors with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in business activities, accounting, finance, corporate and legal disciplines. The Directors' profiles are enclosed from pages 9 to 13 of this Annual Report ("AR").

The INEDs on the Board act as a caretaker for the minority shareholders' interest and their views carry significant weight in the Board's decision-making process. The INED are considered by the Board to be independent of management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement.

The NC will regularly reviews the composition of the Board and its Committees, based on their skills, knowledge, qualities and experience to ensure all matters are reviewed with balance and fairness for the best interests of the Company.

#### a. Balance, Diversity and Skills

The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce Gender Diversity Policy in 2017. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit, and against objective criteria, with due regard given to the benefits of diversity on the Board, including gender, age and ethnicity to ensure that ADVANCECON retains its competitive advantages.

The Board currently has one (1) female director out of five (5) directors, made up of one Independent Non-Executive Chairman, two Executive Directors and two INEDs. The existing Directors' age distribution falls within the respective age groups and is as follows:

Age Group	40-49	50-59	60 & above
Number of Directors	1	-	4

The current diversity in the race/ethnicity and nationality of the existing Board is as follows:

	Race/Ethnicity				Nationality	
	Malay	Chinese	Indian	Others	Malaysian	Foreign
Number of Directors	1	3	1	-	5	-

# CORPORATE GOVERNANCE OVERVIEW STATEMENT



## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. Board Composition (Cont'd)

#### b. Re-Election and Re-Appointment of Directors

In compliance with the Company's Constitution, all directors shall submit themselves for re-election at least once every three years. Directors appointed during the year are required to retire at the following Annual General Meeting but are eligible for re-election.

The NC will also reviews those Directors who are subject to re-election or re-appointment by giving due regard to his/her performance, knowledge, skills, experience and ability to continuously contribute to the Board and submits its recommendation for shareholders' approval at the AGM.

#### c. Independence Assessment of Independent Directors

Independent Directors bring independence and objective judgement to the Board and this mitigates risks arising from conflicts of interest or undue influence from interested parties. Nevertheless, the existence of Independent Directors on the Board by itself does not assure the exercise of independence and objective judgement as independent judgement can be compromised by, amongst others, familiarity or close relationship with other board members or major shareholders.

The NC undertakes an assessment of the Independent Directors annually. In assessing the independence of Independent Directors, the NC had concluded that all the Independent Directors have met the independence requirements based on the criteria prescribed by Bursa Securities.

#### d. Tenure of Independent Directors

Under the MCGG, the tenure of an Independent Director should not exceed a cumulative term of nine years. If the Board intends to retain Independent Non-Executive Directors who have served consecutively or cumulatively more than nine years, it should be subjected to annual assessment by the NC and annual shareholders' approval through a two-tier voting process in a general meeting. The Board shall provide justification on the recommendation to the shareholders for their informed decision making.

For the FY2024, none of the INED had served the Company exceeding a cumulative term limit of nine years.

#### e. Criteria for Recruitment and Annual Assessment of Directors

The NC is responsible for screening and conducting an initial selection, which includes an external search, before making a recommendation to the Board, taking into account the mix of skills, competencies, experience and other qualities required to discharge their duties and responsibilities. NC may obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.

The Board is assisted by the NC to undertake an annual assessment on the effectiveness of the Board as a whole, its Committees, contribution of each individual Director and the Independent Directors in relation to their skills, experience and core competencies. The assessment is conducted through questionnaires circulated to the Board. Outcomes of the evaluations are generated based on the Directors' feedback on the questionnaires. Upon assessment, the NC will consider and recommend measures to improve the effectiveness of the Board and its Committees. All assessments and evaluations carried out by the NC in the discharge of its function are properly documented.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. Board Composition (Cont'd)

#### f. Board Meetings and Attendance

The Board meets at least four times a year and has a formal schedule of matters reserved for it. Additional meetings are held as and when necessary. During the FY2024, six meetings were held in which the Board deliberated upon and considered various issues including the Groups' financial results, performance of the Group's business, policies and strategic issues affecting the Group's business.

The details of the Board members' attendance recorded during FY2024 are set out as below:

Directors	Attendance in FY2024
Yeoh Chong Keat	6/6
Dato' Phum Ang Kia	6/6
Tung Kai Hung	5/6
Mohd Zaky Bin Othman	6/6
Jananee Priya A/P Gopal	6/6
Tan Chee Keong <i>(Appointed on 1 August 2024 and resigned on 16 April 2025)</i>	3/3

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs to enable them to discharge their duties. At least seven days prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications from the Management or the Company Secretary well ahead of the meeting date, where necessary, in order to be well prepared before each meeting. Urgent papers may be presented for tabling at the Board meetings under supplemental agenda.

#### g. Directors' Training

The Board acknowledges the importance of continuous education such as attending and participating in conferences, seminars and training programme in order to broaden their perspectives and to keep abreast of developments in the marketplace. All Directors had attended and completed the Mandatory Accreditation Programme as required pursuant to the Listing Requirements. The Directors are also regularly updated by the Management and Company Secretary of changes in statutory requirements, accounting standards and other relevant laws and regulations which would enable them to fulfil their responsibilities and discharge their duties.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT



## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. Board Composition (Cont'd)

#### g. Directors' Training (Cont'd)

During the year under review, the Directors who have attended relevant conferences, seminars and training programmes are as follows:

Directors	Training attended
Yeoh Chong Keat	<ul style="list-style-type: none"> <li>National Tax Conference 2024</li> <li>Conflict of Interest ("COI") and Governance of COI</li> <li>2025 Budget Seminar</li> </ul>
Dato' Phum Ang Kia	<ul style="list-style-type: none"> <li>Virtual Sustainability Reporting Forum - The Next Wave in Corporate Disclosure</li> <li>Effective 5S Practice Training</li> <li>Amendments to the Companies Act 2016 - Impact of Beneficial Ownership Reporting</li> <li>Say No to Sexual Harassment at Workplace - Awareness Program for Prevention &amp; Eradication</li> <li>Sandmerit Performance Management Model Bootcamp</li> <li>Anti-Bribery and Corruption in the Workplace</li> </ul>
Tung Kai Hung	<ul style="list-style-type: none"> <li>Virtual Sustainability Reporting Forum - The Next Wave in Corporate Disclosure</li> <li>Effective 5S Practice Training</li> <li>Amendments to the Companies Act 2016 - Impact of Beneficial Ownership Reporting</li> <li>Say No to Sexual Harassment at Workplace - Awareness Program for Prevention &amp; Eradication</li> <li>Sandmerit Performance Management Model Bootcamp</li> <li>Anti-Bribery and Corruption in the Workplace</li> </ul>
Mohd Zaky Bin Othman	<ul style="list-style-type: none"> <li>Virtual Sustainability Reporting Forum - The Next Wave in Corporate Disclosure</li> <li>IIC Corporate Governance Conference 2024</li> <li>Audit Committee Conference 2024</li> <li>2-Day Mergers and Acquisitions Masterclass</li> <li>Conduct of Directors and Common Breaches of Listing Requirements</li> </ul>
Jananee Priya A/P Gopal	<ul style="list-style-type: none"> <li>Virtual Sustainability Reporting Forum - The Next Wave in Corporate Disclosure</li> <li>Mandatory Accreditation Programme (MAP)</li> <li>Amendments to the Companies Act 2016 - Impact of Beneficial Ownership Reporting</li> <li>Common Offences by Directors under the Companies Act 2016</li> </ul>
Tan Chee Keong (Appointed on 1 August 2024 and resigned on 16 April 2025)	<ul style="list-style-type: none"> <li>Amendments to the Companies Act 2016 - Impact of Beneficial Ownership Reporting</li> <li>Say No to Sexual Harassment at Workplace - Awareness Program for Prevention &amp; Eradication</li> <li>Sandmerit Performance Management Model Bootcamp</li> <li>Anti-Bribery and Corruption in the Workplace</li> <li>Current and Deferred Taxes under MFRS and MPERS - Understanding the Principles and Guidelines on Accounting for Income Taxes</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 3. Remuneration

#### a. Directors' Remuneration

The Board has in place a Remuneration Policy for Directors and Senior Management which is designed to support and drive business strategy and long-term objectives of the Group. In this regard, the RC is responsible to formulate and review the remuneration for Directors and Senior Management of the Company to ensure the competitiveness, appropriateness and in alignment with the prevalent market practices.

The remuneration package for Executive Directors is structured to link the rewards to financial performance and long-term objectives of the Group aside from individual performance. The remuneration package comprises of a number of separate elements such as basic salary, allowances, bonuses and other benefits-in-kind.

In the case of the INEDs, the level of remuneration shall be linked to their experience and the level of responsibilities undertaken. The remuneration package for INED shall be determined by the Board as a whole. The Director concerned shall abstain from deliberation and voting on decisions in respect of his individual remuneration package. The detailed breakdown of the Directors' Remuneration and other benefits paid (both the Company and the Group) for the FY2024 are as follows:-

Director	Company					Subsidiaries				
	Directors' fees (RM)	Salaries (RM)	Bonus (RM)	Other benefits (RM)	Defined contribution plan (RM)	Salaries (RM)	Bonus (RM)	Other benefits (RM)	Defined contribution plan (RM)	
Yeoh Chong Keat	101,160	-	-	3,500	-	-	-	-	-	
Dato' Phum Ang Kia	-	1,147,200	47,800	28,000	144,180	-	-	-	-	
Tung Kai Hung	-	-	-	-	-	550,800	22,950	23,950	23,730	
Mohd Zaky Bin Othman	72,480	-	-	3,500	-	-	-	-	-	
Jananee Priya A/P Gopal	48,000	-	-	3,500	-	-	-	-	-	
Tan Chee Keong (Appointed on 1 August 2024 and resigned on 16 April 2025)	-	296,774	30,000	6,328	39,754	-	-	-	-	

#### b. Remuneration of Senior Management

Senior Management are those primarily responsible for managing the business operations and corporate divisions of the Group. The Board decided not to disclose on a named basis the top five Senior Management's remuneration in bands of RM50,000 in order to allay valid concerns of intrusion on staff confidentiality as well as maintaining the Company's ability to retain talented senior management in view of the competitive employment environment, in particular for the Group's nature of business.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT



## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. Audit Committee (“AC”)

The AC of the Company comprises of three members, all of whom are INEDs:

- Mohd Zaky Bin Othman, Chairman (INED)
- Yeoh Chong Keat, Member (INED)
- Jananee Priya A/P Gopal, Member (INED)

The members of the AC possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities pursuant to the TOR of the AC. In addition, the AC members are financial literate and are able to understand, analyse and challenge matters under purview of the AC including the financial reporting process.

The Board is assisted by the AC to among others, oversee the Group’s and Company’s financial reporting process and the quality of financial reporting and ensure that the financial statements comply with the provisions of Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia.

Besides overseeing the Group’s accounting and financial reporting process, AC is also responsible to assist the Board:

- (i) to review the nature, scope and results of the external audit;
- (ii) its cost effectiveness and the independence and objectivity of the external auditors;
- (iii) to oversee and monitor the Group internal audit functions; and
- (iv) to review any related party transactions, and other activities such as governance matters.

A full AC Report detailing its composition and a summary of activities during the FY2024 is set out in pages 80 to 82 of this Annual Report.

Through the AC, the Group has established a transparent and appropriate relationship with the Group’s auditors. The AC had convened one meeting with the external auditors without the presence of executive directors and officers to discuss the audit process and findings.

The performance of the AC is reviewed annually by the NC. The evaluation covered aspects such as the members’ financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of the AC meetings.

Based on the evaluation, the NC concluded that the AC has been effective in its performance and has carried out its duties in accordance with its TORs during FY2024.

#### a. Assessment of Suitability, Objectivity and Independence of External Auditors

The AC had on 27 February 2025 undertook an annual assessment of the suitability and independence of the external auditors, Messrs. UHY Malaysia PLT (“UHY”). Being satisfied with UHY’s performance, technical competency and audit independence as well as fulfilment of criteria as set out in Paragraph 15.21 of the MMLR, the AC recommended the re-appointment of UHY, who have consented to act, as external auditors of the Company for FY2024. The AC was also satisfied that the provision of the non-audit services by UHY for FY2024 did not in any way impair their objectivity and independence as external auditors of the Company. Subsequently, the Board at its meeting concurred with the AC on its recommendation for the shareholders’ approval to be sought at the forthcoming AGM on the re-appointment of UHY as external auditors of the Company for FY2025.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## **PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**

### **1. Audit Committee (“AC”) (Cont'd)**

#### **b. Assessment of Internal Auditor**

The Group has appointed Sterling Business Alignment Consulting Sdn Bhd (“Sterling”) to provide outsourced internal audit function for the Group. Sterling reports directly to the AC and the Internal Audit function is independent from the management. They provide reasonable assurance of the effectiveness of the system of internal controls of the Group.

Activities undertaken by Sterling during the financial year under review as set out as below:-

- (i) Reviewed and approved the Internal Audit Plan for FY2024 proposed by the Internal Auditors to ensure the adequacy of the scope, coverage of works and that it has the necessary authority to carry out its works.
- (ii) Reviewed the Internal Audit Reports together with the recommendations from the Internal Auditors. The AC considered the Internal Auditors’ recommendations which had taken into account the Management’s responses, and upon which approved the Internal Auditors’ proposals for rectification and implementation of the agreed remedial actions.
- (iii) Undertook assessment of the performance of the internal auditors and reviewed its effectiveness of the audit processes.

### **2. Risk Management and Internal Control Framework**

The Board affirms its responsibility for ensuring the maintenance of a sound system of internal controls and risk management. A risk management and internal control framework is in place, which provides the foundations and organisational arrangement on how to manage risks across the Group, safeguard shareholders’ interests and the Group’s assets.

The Board fulfils its responsibilities in the risk governance and oversight functions through its RMSC in order to manage the overall risk exposure of the Group. The RMSC identifies significant risks and ensures the implementation of appropriate system to manage the overall risk exposure of the Group, whilst the adequacy and effectiveness of the internal controls are reviewed by the AC in relation to internal audit function of the Group.

The Statement on Risk Management and Internal Control which provides an overview of the state of the internal control and risk management within the Group, is set out in pages 40 to 43 of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT



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

### **1. Communication with Stakeholders**

The Board recognises the importance of maintaining transparency and accountability to their stakeholders. As such, the Board actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on Company's website and engagement through the investor relations function. The Company has also established an investor relations function and engage external service providers to enable continuous communication between the Company and its stakeholders.

All corporate disclosures are made after taking into account the prevailing legislative restrictions and requirements as well as investors' need for timely release of price-sensitive information such as the financial performance results and significant corporate proposals.

In all circumstances, the Company is conscious of the timeliness in providing material information about the Group and continuously stress the importance of timely and equal dissemination of information to stakeholders.

### **2. Conduct of General Meetings**

ADVANCECON's AGM is an important means of communicating with its shareholders. The notice of AGM together with the annual report and details of the resolutions proposed are sent out to the shareholders at least twenty-eight days before the date of the AGM which is beyond the requirements of the Act, MMLR and in compliance with MCCG.

The Board takes note that the presence of all Directors will provide opportunity for shareholders to effectively engage with each Director. Besides, having the chair of the Board subcommittees present facilitates these conversations and allows shareholders to raise questions and concerns directly to those responsible. All the Directors of the Company attended Extraordinary General Meeting and 27<sup>th</sup> AGM of the Company held on 18 December 2024 and 13 June 2024 respectively on a fully virtual basis to engage with the shareholders proactively.

Barring any unforeseen circumstances, all the Directors of the Company will endeavour to attend coming 28<sup>th</sup> AGM of the Company and the Chair of AC, NC, RC and RMSC will provide meaningful response to questions addressed to them in compliance with the MCCG.

This Corporate Governance Overview Statement is issued in accordance with a resolution of the Board dated 24 April 2025.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE BOARD OF DIRECTORS (“THE BOARD”) ARE PLEASED TO PRESENT HERewith THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL WHICH OUTLINES THE NATURE AND SCOPE OF INTERNAL CONTROL AND RISK MANAGEMENT OF ADVANCECON HOLDINGS BERHAD (“ADVANCECON” OR “THE COMPANY”) AND ITS SUBSIDIARIES (“THE GROUP”) DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2024. THIS STATEMENT IS PREPARED PURSUANT TO PARAGRAPH 15.26(B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“MMLR”) AND PRINCIPLE B OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE, WITH GUIDANCE FROM THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS.

## BOARD RESPONSIBILITY

The Board affirms its responsibility for maintaining a sound and effective system of risk management and internal control frameworks to safeguard the Group’s assets, promote operational efficiency and ensure compliance with corporate governance, applicable laws and regulations. The risk management system is designed to manage the Group’s risks within an acceptable risk profile, rather than to avoid or eliminate the risks that are inherent to the Group’s businesses. This is to ensure that:-

- a. the principal risks of the Group which may impede the Group’s business objectives are identified, evaluated, monitored and managed with an appropriate internal control system;
- b. the effectiveness, adequacy and integrity of the system is reviewed from time to time to suit the changes in the business environment for purposes of safeguarding shareholders’ interests and the Group’s assets;
- c. proper accounting records are maintained;
- d. reliable financial information is accessible to the public; and
- e. compliance with applicable laws and regulations.

The Board is aware that the risk management and internal control system can only provide a reasonable, and not absolute, assurance against the risks of material errors, misstatement, loss, fraud or occurrence of unforeseeable circumstances.

The Board has delegated and empowered the Audit Committee (“AC”) as well as the Risk Management and Sustainability Committee (“RMSC”) to ensure implementation of the internal control practices and risk management system within the Group. The Board consistently reviews the adequacy and integrity of the Group’s risk management and internal control system with the assistance of both the AC and RMSC.

The Management is responsible for implementing the Board’s policies and guidelines on risk management and internal controls, identifying and evaluating the risk factors and implementing suitable internal control systems to ensure that the Group’s mission and business objectives are achieved.

The Board does not review the risk management and internal control system of its associated company. However, the Group’s interest is preserved through the representation on the Board of the associated company and the Board is provided with information on the performance of the Group’s investment on an equity basis.

The Board remains responsible for the governance of risk and for all the actions of the Board Committees with regard to the execution of delegated oversight responsibilities.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



## RISK MANAGEMENT PROCESS

The Group adopted the COSO-ERM Integrated Framework in managing the Enterprise Risk Management of the Group (“the Framework”). The Framework is recognised worldwide as a comprehensive framework that is widely advocated by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for purposes of managing risks in an increasingly turbulent and unpredictable business landscape.

The Group’s risk management practice is benchmarked against ISO31000:2018 Risk Management – Principles and Guidelines with COSO-ERM embeded into key activities, initiatives and processes of the Group. The risk management framework adopted comprises a wide range of techniques from managing risk holistically that which correctly identifies risks to prioritising appropriate responses so as to ensure that the risk management framework is aligned with the Group’s management organisational structure and business objective.

The process of identifying, evaluating, monitoring and managing significant risk is entrenched in the various work processes and procedures for the respective operational functions and management team. All significant issues and controls for implementation are discussed during regular operations and management meetings.

The RMSC is chaired by an Independent Non-Executive Director alongside other Senior Management representatives of the Group that have been instrumental in developing the risk management profile that enabled identification of new risks, mitigation plans and potential changes to the risk management profile all of which have been subject to discussions on an annual basis with our outsourced Internal Auditor. Operational, financial, strategic and compliance risks have been identified as key risks and have been regularly reviewed to ensure that it remains aligned with the Group’s strategic objectives and risk management .

During the financial year under review, there were no significant changes in the Risk Management Framework and Risk Assessment Matrix for Operation and Project Execution. The RMSC presented and deliberated on regular updates in line with the Group’s ongoing commitment in adapting to emerging risks.

## KEY ELEMENTS OF INTERNAL CONTROLS

The key elements of the Group’s system of internal controls are as follows:

- **Board Committees**

The delegation of responsibilities of the various committees comprising the Board is clearly defined under the Terms of Reference. At present, the committees that have been established include the Audit Committee, Nomination Committee, Remuneration Committee, RMSC and Employees’ Share Option Scheme Committee.

- **Organisational Structure**

The Group has a clear organisational structure which formally defines the line of reporting, as well as setting clear levels of accountability and responsibility of the respective functions within the Group.

- **Limits of Authority**

The Group has a clear Limits of Authority Policy which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The Limits of Authority Policy is reviewed periodically and updated in line with changes and needs of the organisation.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## KEY ELEMENTS OF INTERNAL CONTROLS (CONT'D)

- **Policies and Procedures**

There are policies and procedures in place to ensure the adequacy of internal controls and compliance with relevant laws and regulations. These policies and procedures are periodically reviewed and updated to reflect changes in business structure and processes. Certain companies within the Group have obtained ISO 14001:2015, Environmental Management Systems (“EMS”) accreditation for operational purposes. These certifications demonstrate our ongoing commitment to driving excellence and continuous quality improvement.

- **Internal Audit**

The Board recognises that the Internal Audit is an integral part of the governance process of the Group. The outsourced Internal Auditor conducts a half-yearly review to ascertain the adequacy of and to monitor operational effectiveness, compliance with applicable laws and regulations and the reliability of financial information, with the aim of safeguarding shareholders’ interests and the Company’s assets. Where weaknesses have been identified as a result of the reviews, remedial and improvement measures were recommended in order to strengthen controls; and follow-up reviews were conducted to assess the status of the implementation of such remedial and improvement measures by the Management.

- **Board Meetings**

During the AC and Board meetings, quarterly results, annual financial statements, related party transactions and updates on business development are reviewed.

- **Training and Development Programmes**

Training and development programmes are established to ensure that staffs are constantly improving and updating their knowledge and skills to match the ever evolving technology so as to ensure they remain relevant in the industry, in line with the Group’s business objectives.

- **Good Corporate Governance Policies**

The Group has implemented Anti-Bribery and Corruption Policy and Whistleblowing Policy to supplement the Group’s Code of Conduct and Ethics. This is also part of the Group’s effort at eliminating risks associated with corporate liability as encouraged by virtue of the provision of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

## INTERNAL AUDIT FUNCTION

The AC evaluates the effectiveness of the internal audit function against the defined responsibilities. The internal audit function is outsourced to an independent external service provider, Sterling Business Alignment Consulting Sdn Bhd, that has been entrusted to provide independent assurances to the AC.

The role of the Internal Auditor remains independent and has no direct operational responsibility or authority over any of the activities audited. Accordingly, the Internal Auditor does not implement internal controls, develop procedures, install systems, prepare records or engage in any other activities that may impair the Internal Auditor’s judgment.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



## INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors adopt the risk-based internal audit approach by reviewing the latest risk register, risk matrix and also considering the Company's business environment and activities, etc. to evaluate and assess the business conditions when preparing the yearly Internal Audit Plan.

On a half-yearly basis, the Internal Auditor attends the AC meetings for purposes of presenting the Internal Audit Report which includes an overall audit opinion that identifies significant weaknesses, recommendation of action plans, management responses and pertinent deadlines. Subsequent follow-up reviews are also conducted to assess the status of each recommended action plan upon implementation by the Management. The results of such follow-up reviews are highlighted to the AC during their meetings.

For the financial year ended 31 December 2024, the total cost incurred for the outsourced internal audit function was RM28,000.

## ASSURANCE FROM THE MANAGEMENT

In line with the Guidelines, the Group Chief Executive Officer have provided assurance to the Board stating that the Group's risk management and internal control system have operated adequately and effectively in all material aspects to meet the Group's objectives during the period under review.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in this Annual Report. Their limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 (February 2018) does not require the External Auditors to consider whether this Statement covers all risks and controls or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. Based on the External Auditor's reviews, nothing has come to their attention that causes them to believe that this Statement is not prepared in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

## CONCLUSION

For the financial year under review and up to the date of issuance of the Statement in the Annual Report, the AC and RMSC have discussed the contents of this Statement and further recommended it for the Board's approval. Hence, the Board is pleased to report that the internal control system and risk management practices are capable of meeting the objectives of the Group and facilitates good corporate governance.

This Statement has been approved by the Board of Directors at its meeting on 24 April 2025.

# SUSTAINABILITY STATEMENT

## Report Overview

This Sustainability Statement (“**Statement**”) covers the sustainability strategies, principles, initiatives and performance of Advancecon Holdings Berhad (“**ADVANCECON**”, “**Group**”) for the financial year ending 2024 and focuses on issues which we have determined to be of importance to us through the materiality assessment. This statement provides an update on ADVANCECON’s sustainability initiatives across our operations.

## Scope and Boundaries (GRI 2-2, 2-3)

The scope of this report covers all business units under ADVANCECON with the exception of Advancecon (Sarawak) Sdn. Bhd. where ADVANCECON has a 30% interest in the company. Unless specified, the Sustainability Statement contains both qualitative and quantitative results for the indicators present and should be read together with the Annual Report 2024.

## Reporting Period (GRI 2-2, 2-3)

This Statement covers the period from 1 January 2024 to 31 December 2024 (“**2024**” or “**FY2024**”) unless otherwise stated.

## Disclosure Requirements and Benchmarks

ADVANCECON’s Sustainability Framework (“**Framework**”) serves as a guide for the effective integration of our governance, strategic focus areas, performance and initiatives, in line with local and global sustainability agendas such as:-

- i. Global Reporting Initiative (GRI) Standards;
- ii. Bursa Malaysia’ Main Market Listing Requirements in Relation to Sustainability Reporting Framework;
- iii. Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition);
- iv. Sustainable Development Goals (SDGs).

Our framework responds to the needs of the foreseeable future and integrates sustainability into every part of our business.

## Limitations

ADVANCECON understands that some data collection challenges remain for certain disclosures and it is constantly working to apply better data tracking, collection and analysis systems for improved reporting accuracy and quality in the future.

## Report Assurance

This Statement is monitored internally by the Sustainability Working Group (“**SWG**”) and it is reported to the Group Risk Management and Sustainability Committee (“**RMSC**”). In strengthening the credibility of the Report, the data and narrative content have been independently reviewed by Sterling Business Alignment Consulting Sdn. Bhd., our appointed internal auditor to ensure key information provided in this report is presented on a best-effort basis and is subject to further improvement in future reporting cycles.

## Forward-Looking Statements Disclaimer

Any forward-looking statements made with regards to the operations and future plans found in this statement are based on reasonable current assumptions. The actual results may differ and readers are advised not to place undue reliance on such statements as the business is subject to risk and uncertainties beyond ADVANCECON’s control.

## Feedback

We welcome feedback, thoughts and comments, which can be directed to [sustainability@advancecon.com.my](mailto:sustainability@advancecon.com.my)

# SUSTAINABILITY STATEMENT



## CHAIRPERSON'S MESSAGE

I am pleased to share our commitment to driving sustainable growth while effectively managing risks in an ever-changing landscape. Sustainability is not merely a responsibility but a core principle that guides our business operations, decision-making and long-term strategies.

From the past year, we have started making significant progress in embedding sustainability into our corporate culture and business practices. Our statement is guided by the local (Bursa Malaysia) and global (GRI) standard. We have developed strategies that balance between the need for economic performance and our responsibility to the environment and society.

### Managing Risks for Resilience

The evolving regulatory landscape, climate change and stakeholder expectations have presented both challenges and opportunities. Our role as a committee is to anticipate, assess and address risks that may impact our sustainability journey. By integrating robust risk management practices into our operations, we have fortified our resilience against economic volatility, environmental shifts and compliance requirements.

### Driving Sustainability Initiatives

ADVANCECON's sustainability efforts are guided by three main pillars: environmental stewardship, social responsibility and governance excellence. This year, we focused on reducing our carbon footprint, enhancing employee safety well-being and fostering community engagement.

### Looking Ahead

The journey towards sustainable development is continuous, and we are steadfast in our commitment to creating shared value for all stakeholders. Moving forward, we aim to strengthen our sustainability governance framework, enhance stakeholder engagement and accelerate our transition to a low-carbon economy.

On behalf of the Risk Management and Sustainability Committee, I extend my gratitude to the Board, management and employees for their dedication and efforts in advancing our sustainability goals. Together we are confident in building a resilient and sustainable future for generations to come.

Sincerely,

**Jananee Priya A/P Gopal**

Chairperson, Risk Management and Sustainability Committee



# SUSTAINABILITY STATEMENT



## FY2024 ESG HIGHLIGHTS

ENVIRONMENTAL STEWARDSHIP		
<b>20,450,414.30 L</b> Fuel Consumption	<b>14,159 KG</b> Hazardous Waste	Scope 1 <b>54,773.05 MT CO2</b>
<b>3,803,390 kWh</b> Purchased Electricity	<b>1,768.39 MT</b> General Waste	Scope 2 <b>2,877.53 MT CO2</b>
<b>14,110 kWh</b> Renewable Energy Generation	<b>74,815 m3</b> Water Consumption	Scope 3 <b>510.39 MT CO2</b>

SOCIAL RESPONSIBILITY		
<b>ZERO</b> Fatality Cases	<b>14%</b> of employees are women	<b>10,579</b> total hours trainings
<b>ZERO</b> Loss Time Incidents Rate (LTIR)	<b>17%</b> Female Director on the Board	<b>16 hours</b> average training hours per employee
<b>1,007</b> number of employees trained on health and safety standards	<b>4.44%</b> Turnover rate	<b>RM 75,964.00</b> in total community development contributions made

GOVERNANCE EXCELLENCE		
<b>ZERO</b> Confirmed incidents of anti-corruption	<b>100%</b> employees who have received training on anti-corruption	<b>ZERO</b> complaints concerning breaches of data privacy & security
<b>ZERO</b> Whistleblowing reports received	<b>100%</b> operations assessed for corruption related risks	<b>95%</b> Local suppliers

# SUSTAINABILITY STATEMENT

## ADVANCECON'S SUSTAINABILITY FRAMEWORK

The 2024 Sustainability Framework is a major factor in ADVANCECON's dedication to integrating sustainability into all facets of its operations. Framework is a key driver of this commitment. This comprehensive framework serves as a driver for ADVANCECON's growth, guiding us to towards delivering positive impact for our business, the environment and communities. Beyond being a strategic guide, this framework serves as adynamic catalyst for action. It unites and strengthens our teams at every level, encouraging cooperative advancement toward our sustainability goals and commitments.

The three main pillars of the Sustainability Framework - environmental stewardship, social responsibility, and governance excellence - support the framework and guarantee that all of our businesses can effectively reduce sustainability risks, boost productivity and spur growth.



### STRATEGIC GOALS AND COMMITMENTS

- a. Reduce operational carbon emission by 5% every year through energy efficient practices
- b. Achieve 100% compliance with environment and safety regulations across all projects
- c. Invest in community programs to improve education, infrastructure and economic empowerment
- d. Enhance workforce development with targeted training programs to equip employees for future challenges
- e. Strengthen governance by integrating ESG performance into corporate decision making and reporting

### IMPLEMENTATION & MONITORING

- a. RMSC: Oversee the execution of initiatives and ensure alignment with strategic objectives
- b. Key Performance Indicators (KPI): Measures progress on environmental impact, safety performance, community outreach and governance practices
- c. Transparent Reporting: Regularly disclose sustainability performance through annual Sustainability Statement aligned with national and global standards.

# SUSTAINABILITY STATEMENT

## ADVANCECON'S GOVERNANCE STRUCTURE

### Sustainability Governance Structure (GRI 2-9, 2-11, 2-12, 2-13, 2-14)

The sustainability governance structure at ADVANCECON is overseen primarily by the Board of Directors (“**Board**”) who provide the strategic directions including how sustainability matters are integrated and implemented.

The Board is supported by the Risk Management & Sustainability Committee (RMSC) which comprises entirely of senior management who report to the Board on sustainability related matters in order to ensure the making of sound business decisions. This is performed through annual meetings where the RMSC will provide the Board with insights on current opportunities and challenges faced by the Group.

The RMSC is supported by the Sustainability Working Group (SWG) who implements and maintains all sustainability initiatives which have been agreed by the RMSC. The SWG comprises of the key personnel from various divisions and departments in ADVANCECON.

At the operations level, every department and operation division of the Group is required to provide their support to the SWG towards implementing the programs and initiatives related to sustainability matters into their day-to-day operations.



#### Board of Directors (BOD)

##### Roles and Responsibilities

- Overseeing and endorsing overall sustainability strategy and monitoring the execution of the strategies.
- Reviewing and monitoring the sustainability governance structure, priorities and targets and ensuring integration of the sustainability strategy across the Group.
- Reviewing and approving of this Statement.



#### Risk Management & Sustainability Committee (RMSC)

##### Roles and Responsibilities

- Overseeing the management of principal business risks and significant/material economic, environmental and social risks.
- Ensuring resources and processes are in place to enable the organization to achieve its sustainability commitments and targets.
- Reviewing disclosures relating to management of sustainability matters of the Group in the Annual Reports.
- Overseeing stakeholder engagement and the outcomes of addressing economic, environmental, social and governance matters with regard to the strategic sustainability goals.

# SUSTAINABILITY STATEMENT



## Sustainability Working Group (SWG)

### Roles and Responsibilities

- Coordinate and implement sustainability activities that are in line with the strategic direction of ADVANCECON and its policies.
- Direct monitoring of the sustainability performance of ADVANCECON at all levels.
- Preparing the reports for material sustainability matters, sustainability progress, performance indicators and targets, the performance and annual sustainability disclosures.
- Ensuring that sustainability matters are effectively communicated to all shareholders and stakeholders and maintain stakeholder engagement.



## Operating Division/ Departments

### Roles and Responsibilities

- Execute and integrate sustainability initiatives of the Company as part of its daily operations.
- Implementation of efforts to ensure effective stakeholder engagement.

# SUSTAINABILITY STATEMENT

1

## Engagement Strategy & Planning

Set the engagement mechanism by conducting the stakeholder mapping



2

## Communicating & Engaging

Conduct the engagement for ensuring equitable stakeholder contributions and mitigate problem



3

## Monitoring & Responding

Collect feedback and identify the risk and opportunities to revisit the goals and plan



### STAKEHOLDER ENGAGEMENT

Stakeholder engagement refer to the collaborative interaction between various parties that have an interest in, or are affected by, our activities and performance in the realm of sustainability. Engaging with internal and external stakeholders essentially works as a link between the Group's commitment towards sustainability and the outside world, allowing for a more thorough and accurate depiction of its efforts and impacts.

In line with SDG 17: Partnership for the Goals, we have engaged with stakeholders to understand their perspectives on the Group's sustainability framework, goals and strategies as well as performance results.

At ADVANCECON, we understand that creating partnerships are crucial to achieving our sustainability goals. Our stakeholder's engagement approach to comprehend all the dimensions of value for each stakeholder group in addition to being able to analyse the risks and opportunities related to them. When we evaluate the larger risks facing the Group in our risk management, these risks and opportunities are also taken into account.

Our stakeholder engagement method is a three-step process that includes engagement strategy and planning, stakeholder mapping, determining objectives and sustainability issues, communicating with stakeholders, involving them in the process, monitoring the process, and responding to any issues that arise in response to market trends and stakeholder concerns.

# SUSTAINABILITY STATEMENT



Stakeholder Groups	Topics of Concern	Engagement Methods	Frequency
<b>Shareholders &amp; Investors</b>	<ul style="list-style-type: none"> <li>• Sustainable Business Growth &amp; Strategy</li> <li>• Operational &amp; Financial Performance</li> <li>• Risk Management</li> <li>• ESG Practices &amp; Commitments</li> </ul>	General meetings	Annually
		Annual Reports	Annually
		Quarterly Financial Reports	Quarterly
		Bursa Announcements	Regularly
		Public & Media Announcements	Regularly
		Company Website	Regularly
<b>Board of Director</b>	<ul style="list-style-type: none"> <li>• Company Direction &amp; Strategies</li> <li>• Risk Management</li> <li>• Regulatory Compliance</li> </ul>	Board meeting & discussions	Quarterly
		Company events	Regularly
		General meetings	Regularly
<b>Clients</b>	<ul style="list-style-type: none"> <li>• Product &amp; Service Quality</li> <li>• Timely Project Delivery</li> <li>• Safety &amp; Health Matter</li> </ul>	Project progress meeting	Monthly
		Customer surveys	Annually
		Health, Safety and Environment Management Walkabout	Monthly
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Occupational Health, Safety &amp; Well-Being</li> <li>• Career Development &amp; Training Opportunities</li> <li>• ESG &amp; Climate Change Awareness</li> </ul>	Face-To-Face Communication	Regularly
		Company Events	Regularly
		Internal Communications (I.E. Emails, Memorandum From GCEO)	Regularly
		Annual Performance Appraisals	Annually
		Training & Human Capital Plan	Regularly
		Safety & Health Committee Meetings	Monthly
		Health, Safety & Environment (HSE) Plan Programmes	Monthly
		Advance Sports Club	Monthly
<b>Sub-contractors &amp; suppliers</b>	<ul style="list-style-type: none"> <li>• Fair &amp; Transparent Procurement</li> <li>• Quality Work &amp; Ethical Practices</li> <li>• Timely Payment &amp; Business Continuity</li> </ul>	Sub-Contractor Progress Meeting	Monthly
		Sub-Contractor & Supplier Annual Performance Evaluation	Annually
		Code of Conduct	Regularly
<b>Regulatory bodies</b>	<ul style="list-style-type: none"> <li>• Regulatory Compliance</li> <li>• HSE Practices</li> <li>• Certifications &amp; Awards</li> <li>• Corporate Governance</li> </ul>	Annual Report	Annually
		Audit, Site Inspection & Visits	Monthly
		Online Declaration & Submissions	Regularly
		Dialogues With Authorities	Regularly
<b>Community</b>	<ul style="list-style-type: none"> <li>• Employment Opportunities</li> <li>• Health &amp; Safety of Community</li> <li>• ESG Initiatives</li> </ul>	Corporate Social Responsibility (CSR) Programs	Regularly
		Outreach Events	Regularly
		Company Website	Regularly

# SUSTAINABILITY STATEMENT

## MATERIALITY ANALYSIS

In 2024, we reviewed the topics which are material to our operations through focus group discussions and meetings with the Risk Management and Sustainability Committee (RMSC) and Sustainability Working Groups (SWG). In contrast with the assessment performed in 2023, we are now able to internally identify through the analysis of the sustainability impacts on each of the material topics to the Group and the stakeholders. The result of this assessment is mapped on a materiality matrix to determine the level of importance to the Group.

### ADVANCECON'S MATERIALITY ANALYSIS



ADVANCECON's materiality assessment in FY2024 was conducted in accordance with 'GRI 3: Material Topics 2021 Guidance and Principles' and Sustainability Reporting Guide 2022, Bursa Malaysia. Conducting a materiality assessment involves a structured and comprehensive process to identify and prioritize the environmental, social and governance (ESG) issues that are most relevant and significant to the Group and its stakeholders.

Below is a step-by-step methodology on how the materiality assessment has been conducted:



# SUSTAINABILITY STATEMENT



## ALIGNING TO GLOBAL AGENDA – SUSTAINABLE DEVELOPMENT GOALS

We recognise that ADVANCECON can play a role in solving broader ESG issues and we have thus aligned our Framework to the relevant SDGs which we believe are most relevant to our business.

The effects of climate change have become more prominent.

SDGs	ADVANCECON's Targets	Initiatives & Achievements
	<b>Goal 3: Good Health and Well-being</b> 1. Zero fatalities & accidents	<ul style="list-style-type: none"> <li>• Continuous safety and health monitoring and corrective action against incidents occurred at site.</li> <li>• Advance Sports Club, a platform to support and encourage active and healthy lifestyle habits.</li> <li>• Regular health and wellness check for employees and workers at construction sites.</li> <li>• Mental health awareness campaigns.</li> </ul>
 	<b>Goal 5: Gender Equality</b> <b>Goal 10: Reduced Inequalities</b> 1. 30% women in the Board of Directors	<ul style="list-style-type: none"> <li>• Talent development programs specifically designed to mentor and support women in leadership.</li> <li>• Flexible work arrangements and childcare support to encourage female participation in the workforce.</li> <li>• Workshops to promote gender sensitivity and inclusivity at all levels.</li> </ul>
 	<b>Goal 7: Affordable and Clean Energy</b> <b>Goal 11: Sustainable Cities and Communities</b> 1. Adopting clean energy to optimise the use of energy across all business segments 2. Exploring renewable energy where possible	<ul style="list-style-type: none"> <li>• Installation of solar panels at operational sites and headquarters.</li> <li>• Conducting energy audits to identify and reduce inefficiencies.</li> <li>• Partnering with renewable energy providers to offset carbon emissions.</li> </ul>
	<b>Goal 8: Decent Work and Economic Growth</b> 1. Promote sustainable economic growth and full, productive employment.	<ul style="list-style-type: none"> <li>• Adopting fair labor practices and ensuring compliance with local labor laws.</li> <li>• Providing skill development and vocational training for employees.</li> <li>• Encouraging innovation and entrepreneurship within the organization.</li> </ul>
	<b>Goal 13: Climate Action</b> 1. Strengthen resilience and adaptive capacity to climate risks. 2. Reducing 5% emissions every year.	<ul style="list-style-type: none"> <li>• Measuring and reporting greenhouse gas (GHG) emissions annually.</li> <li>• Implementing reforestation programs near project sites.</li> <li>• Creating climate risk assessments for ongoing and future projects.</li> </ul>
	<b>Goals 16: Peace, Justice and Strong Institutions</b> 1. Promote ethical business practices and strengthen governance. 2. Zero reported case related to bribery and corruption.	<ul style="list-style-type: none"> <li>• Establishing a zero-tolerance policy towards corruption and fraud.</li> <li>• Providing regular trainings on governance and ethics to all employees.</li> <li>• Ensuring transparent reporting and stakeholder communication.</li> </ul>

# SUSTAINABILITY STATEMENT

SDGs	ADVANCECON's Targets	Initiatives & Achievements
	<b>Goal 17: Partnership for the Goals</b> 1. Strengthen global and local partnerships for sustainability.	<ul style="list-style-type: none"> <li>• Collaborating with NGOs and government agencies on community development projects.</li> <li>• Participating in industry forums to share and learn best practices for sustainability.</li> <li>• Building partnerships with academic institutions to support research on clean energy and climate resilience.</li> </ul>

## POLICIES AND GUIDELINES

ADVANCECON is guided in its business and operations by other policies and guidelines that include:



### ➤ ENVIRONMENTAL STEWARDSHIP POLICIES

- Corporate Environmental
- Environmental Manual & Procedures



### ➤ SOCIAL COMPLIANCE POLICIES

- Corporate Safety
- Alcohol & Drug Abuse
- Disciplinary
- Grievances/Complaints Handling
- No Smoking
- Learning & Development
- Equal Employment Opportunity
- Sexual Harassment



### ➤ GOVERNANCE EXCELLENCE POLICIES

- Anti-Bribery & Corruption
- Board Charter
- Code of Conduct & Ethics
- Corporate Quality
- Risk Management Framework
- Personal Data Policy & Notice
- Documents and Records Control & Management
- Discretionary Authority Limit
- IT Disaster Recovery
- Conflict of Interest

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL MANAGEMENT PERFORMANCE



### ENVIRONMENTAL STEWARDSHIP

ADVANCECON is committed to fostering sustainable development through responsible environmental stewardship. As a leading infrastructure and civil engineering services provider, we recognize the critical role we play in shaping a sustainable future. Our dedication to environmental preservation is embedded in our corporate values and reflected in every aspect of our operations.

ADVANCECON strive to minimize environmental footprint by adopting innovative practices, utilizing clean energy, and ensuring efficient resource management. By aligning our efforts to the United Nations Sustainable Development Goals (SDGs), we actively contribute to global climate action, promote clean energy solutions and support the creation of sustainable cities and communities.

Through collaboration with stakeholders, adherence to stringent environmental regulations and the integration of green technologies, ADVANCECON is paving the way for a more resilient and environmentally conscious industry. Our initiatives, achievements and ongoing commitment underline our role as a responsible corporate citizen dedicated to protecting the planet for future generations.

### APPLICABLE ENVIRONMENTAL LEGISLATIONS & OTHER REQUIREMENTS (NOT LIMITED TO)

1. Environmental Quality Act (Amendment), 2024
  - a. Environmental Quality (Clean Air) Regulations, 2014
  - b. Environmental Quality (Sewage) Regulations, 2009
  - c. Environmental Quality (Scheduled Wastes) Regulations, 2005
  - d. Environmental Quality (Control of Noise from Factories) Regulations, 1989
  - e. Environmental Quality (Environmental Impact Assessment) Order, 2015
  - f. Environmental Quality (Compounding of Offences) (Open Burning) Rules, 2000
2. Solid Waste and Public Cleansing Management Act, 2007
3. Renewable Energy Act, 2011
4. National Land Code 1965
5. Electricity Supply Act, 1990
6. Pesticide (Pest Control Operator) Rules, 2004
7. Malaysia Ambient Air Quality Standard (MAAQS) 2020
8. The Planning Guidelines for Vibrations Limits and Control in Environment
9. Environmental Noise Limits and Control 2017
10. Construction Industry Development Board Act (Amendment), 2011
11. Gas Supply Act, 1993 & Regulation 1997
12. Local Government Act, 1976
13. Prevention and Control of Infectious Disease Act, 1988
14. Employee's Minimum Standards of Housing and Amenities Act, 1990
15. Occupational Safety and Health Act, 2022
  - a. OSH (Classification, Labelling and Safety Data Sheet of Hazardous Chemical) Regulations, 2013
  - b. OSH (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations, 2000

# SUSTAINABILITY STATEMENT



23 - 24 September 2024, Surveillance Audit for ISO14001:2015 Environmental Management System (EMS) was carried out between the auditors from TUV Nord Group and the auditee. The Audit took place over two days at Head Office on the first day and Site Project Bukit Raja (BR07) on the next day. The results of the Audit revealed zero Non-Conformities reported and six Observations for Improvement (OFI).



Authority visits on the environmental compliance at the workplace.



## ENERGY AND EMISSIONS MANAGEMENT (GRI 305-1, 305-2, 305-3)

### Importance to Us

Energy and Emissions Management refers to the measurement and reduction of energy usage and emissions. ADVANCECON is committed to report on all emissions (Scopes 1 and 2) that we control, while also expanding our reporting to include selected indirect emissions (Scope 3) for this reporting year.

### Our Strategy

- Establish a system of collection of data reporting for Scopes 1 and 2
- Facilitate limited Scope 3 reporting to business travels and employee commuting
- Apply GHG Protocol standards for emissions factors
- Prioritise energy-efficient appliances, equipment and lighting system throughout our offices
- Regular maintenance of machinery and equipment for optimal efficiency levels
- Awareness among employees in promoting energy-saving practices

### Our Progress

ADVANCECON's energy needs are primarily met through two sources: on from the national electricity grid and the other from petrol and diesel for transportation. The Group recorded slightly higher fuel consumption in 2024 than the previous year since we did not include petrol usage in our emissions calculation. We have consumed a total of 20,358,345.32 liter worth of diesel and 92,068.98 liter of petrol in our operations inclusive of machinery and company cars.

ADVANCECON closely monitors the electricity consumption at its Head Quarter (HQ), site project offices and Centralised Labour Quarters (CLQ). In the current year, our total electricity consumption reached 3,717,741 kWh representing a reduction of 8.25% compared to the previous year.

# SUSTAINABILITY STATEMENT



The primary source of electricity for our HQ is derived from the national grid, provided by Tenaga Nasional Berhad (TNB). To further reduce dependency on TNB and promote sustainable energy practices, ADVANCECON completed its installation of solar panels. These solar panels will harness renewable energy and be seamlessly synchronised with TNB’s supply, allowing us to utilise solar-generated energy.

As we move ahead, we seek to integrate climate-related risks and opportunities into our risk management framework. We also set GHG reduction targets and invested in renewable energy sources, particularly solar power to significantly reduce our carbon emissions.

Indicator	FY2024
Diesel & Petrol Consumption (Liter)	20,450,414.30
Electricity Consumption (kWh)	3,717,741.00
Renewable Energy Generation (kWh)	14,110.00
Total GHG Emissions (TCO2e)	FY2024
<b>Scope 1</b> Direct GHG emissions from sources owned or controlled by ADVANCECON, such as machinery at our operations and company cars	54,773.05
<b>Scope 2</b> Indirect GHG emissions from the generation of purchased energy	2,877.53
<b>Scope 3</b> All other indirect GHG emissions from employee commutes	510.39

To calculate GHG emissions from energy use, we have applied the conversion factors recommended by the GHG Protocol:

- i. Scope 1 Emissions: 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines and Global Warming Potential from the 6th Assessment IPCC
- ii. Scope 2 Emissions: Location-based emission factors published by Energy Commission
- iii. Scope 3 Emissions: Average-data method where the transportation mode and distance from home to the workplace are determined via an annual survey. The survey was deployed at the end of FY2024 with an employee participation rate of 90%



Solar panel installed on rooftop of Advancecon HQ

# SUSTAINABILITY STATEMENT

## WATER MANAGEMENT (GRI 303-3, 303-5)



### Importance to Us

Water management refers to the sustainable use and conservation of water across our operations. ADVANCECON prioritize sourcing, consumption and recycling water in order to protect the environment, avoid wasting resources and assure business continuity.

### Our Approach

- Sourcing natural water sources for operational activity at project sites
- Collecting monthly water consumption data by business segments
- Implementing the reduction of water consumption from municipal water



Sediment basin at project site



Dust control at site

### Our Achievement

Water conservation and management holds paramount importance to our industry, not only as a matter of environmental responsibility but also a strategic imperative for sustainable development. ADVANCECON understands that its operations have a significant impact on water resources and effective water conservation measures and strategies will allow for reduction in environmental degradation and contribute to preservation of natural resources.

To enhance our sustainability efforts and ensure efficient water use at our project site, ADVANCECON have implemented a comprehensive water management system. This system includes the use of sediment basins, silt traps and tube wells effectively to manage and collect water.

Sediment basins capture and settle out sediment and other particulates from stormwater runoff, allowing reuse the clarified water. Silt traps are designed to intercept and retain silt and sediment from construction runoff, preventing them from entering natural water bodies and ensuring cleaner water discharge. Tube wells provide an additional source of water by tapping into underground aquifers.

By integrating these methods into our water management system, ADVANCECON aim for various cleaning purposes, dust control, minimize our environmental footprint, conserve valuable water resources and promote sustainable construction process. The monitoring and collection of water from these systems are recorded in our natural water consumption data table below.

Moving forward we also intend to determine our water consumption intensity based on an agreed organisational metric which will be used to calculate the ratio of water withdrawal and consumption. We also intend to further look into possibilities of water risk assessment to determine if any of our operations have significant impacts to water sources.

Water Consumption (m3)	FY2023	FY2024
Municipal Water Sources	90,811	74,815
Natural Water Sources	215,678	145,668
Total Water Consumption	306,489	220,483

# SUSTAINABILITY STATEMENT

## WASTE MANAGEMENT (GRI 306-3, 306-4, 306-5)



### Importance to Us

Waste management refers to minimising waste and maximising resource recovery. Increasing recycling rates and decreasing landfill trash are ADVANCECON's top priorities for all its activities. We track all waste streams and categorize waste as hazardous or general, which aids in resource conservation and environmental protection

### Our Approach

- Identify the environmental aspects that relates to the source of generating waste and the potential of reusing or recycling
- Register all hazardous waste into the e-swis
- Collecting monthly waste collection data by business segments
- Collaborate with DOE's Registered Waste Collectors throughout our supply chain and follow all jurisdictional waste management requirements

### Our Achievement

Scheduled wastes are managed and disposed according to stipulated legislations. These wastes are stored at scheduled waste stores at our project sites and labelled with clear guidelines and specifications. We implement best management practices when handling chemicals and materials to prevent spillage and leakage. Licensed contractors are appointed to dispose scheduled wastes at registered secured landfill.

In 2024, we have generated the following scheduled wastes.

Waste Code	Type of Scheduled Wastes	Quantity (KG)		
		2022	2023	2024
SW 409	Used plastic container, oil-contaminated	135	370	129.5
SW 410	Used oil filter, oil-contaminated rags/glove	5,833	5,378	2,333.0
SW 307	Oil Water Mixture	1,360	550	1,750.5
SW 305	Used Engine Oil	47,490	49,750	8,594.0
SW 306	Used Hydraulic Oil	750	2,630	1,329.0
SW 408	Contaminated Soil	NA	NA	23.0

We are also committed to reducing the amount of general waste which we generate from our operations and have started to collect data on the waste generation and disposal in 2023.

Water Consumption (m3)	FY2023	FY2024
Total waste generated	530.79	1,768.39
Total waste diverted from disposal	0.25	181.07
Total waste directed to disposal	530.79	1,587.32

\* For year 2023, data collected for all company except Spring Energy Resources Berhad (SERB).



# SUSTAINABILITY STATEMENT

Moving forward, we plan to look into means of reducing the waste that we generate from our operations and also waste entering the landfill. This is because we understand that disposal to landfill is the least preferable method for waste management as it negatively impacts the environment and human health. To meet these plans, we intend to do this by looking into possibilities of implementing initiatives for waste reduction through recycling, waste segregation or through other means available to us.



Programme 3R at HQ



Managing e-waste at HQ



Collection scheduled waste at project site

# SUSTAINABILITY STATEMENT

## SOCIAL COMPLIANCE



### HUMAN CAPITAL MANAGEMENT (GRI 401-1, 404-1, 405-1)

#### Importance to Us

At ADVANCECON, we believe that diversity and inclusivity are essential to fostering innovation, driving sustainable growth, and building a thriving workplace culture. By embracing the unique perspectives, skills and backgrounds of our employees, we create an environment where everyone feels valued, respected, and empowered to contribute their best.

#### Our Approach

- a. Implement grievance and complaint mechanism channel
- b. Address discrimination and misconduct through robust investigation and corrective action
- c. Staggered working hours to prioritise employee wellbeing and emotions
- d. Recognising career development

#### Our Achievement

At ADVANCECON, our employees are our key resources to ensuring business sustainability, and we are committed to ensuring that employees are provided with fair labour practices in accordance with local legal requirements across all our operations. We also require our contractors and sub-contractors to ensure that they adhere to all legal requirements when engaging their workers.

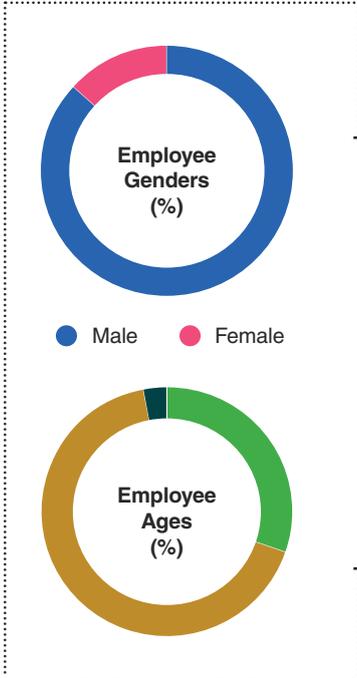
All workers performing work for ADVANCECON are provided with fair wages in line with Malaysia's minimum wage of RM 1,500.00 per month, and are provided with decent living quarters, access to healthcare and are provided with fair working hours where overtime does not exceed the limits stipulated by local laws. During this reporting period of 2024, we have not received any substantiated complaints on human rights violations from any of our reporting channels. We consider this as a positive indicator of our commitment in respecting human rights throughout all of our operations.

Despite this, there is always more room for improvement. Moving forward, we plan to perform periodic assessment of our operations and also those of our contractors and sub-contractors to ensure that there are no cases relating to human rights violations in our supply chain.



# SUSTAINABILITY STATEMENT

## Employee Demographics (percentage) - GRI 405



GRI 405-1	2023	2024
Male (%)	86.9	85.8
Female (%)	13.1	14.2
Management (Group A & B) (%)	8.8	9.8
Executive & Supervisory (Group C) (%)	21.4	23.1
Non-executive & Support Group (Group D) (%)	69.8	67.1
Under 30 years old (%)	30.7	28.3
30 – 50 years old (%)	66.2	67.6
Over 50 years old (%)	3.1	4.1

● Under 30 years old (%) ● 30 – 50 years old (%) ● Over 50 years old (%)

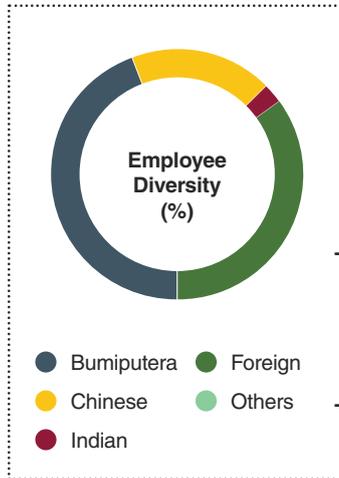


GRI 405-1	Gender	2023	2024
Management (Group A & B) (%)	Male (%)	78.8	75.8
	Female (%)	21.2	24.2
Executive & Supervisory (Group C) (%)	Male (%)	74.0	57.4
	Female (%)	26.0	42.6
Non-executive & Support Group (Group D) (%)	Male (%)	92.4	97.2
	Female (%)	7.6	2.8

GRI 405-1	Age	2023	2024
Management (Group A & B)	Under 30 years old (%)	0.0	3.2
	30 – 50 years old (%)	64.6	87.1
	Over 50 years old (%)	35.4	9.7
Executive & Supervisory (Group C)	Under 30 years old (%)	30.2	33.1
	30 – 50 years old (%)	57.4	65.5
	Over 50 years old (%)	12.4	1.4
Non-executive & Support Group (Group D)	Under 30 years old (%)	38.8	30.8
	30 – 50 years old (%)	50.1	66.8
	Over 50 years old (%)	11.1	2.4

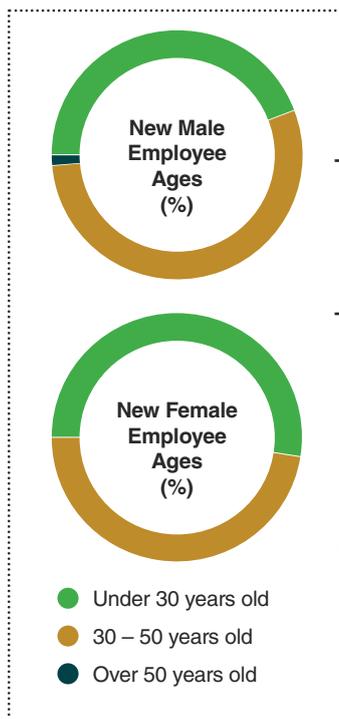
● Male ● Female

# SUSTAINABILITY STATEMENT



GRI 405-1	2023	2024
Direct employees – Permanent Contract (%)	36	23
Direct employees – Fixed Term Contract (%)	64	77

GRI 405-1 & BM C3(a) Diversity	2023	2024
Bumiputera (%)	44.4	44.8
Chinese (%)	18.2	21.0
Indian (%)	2.7	2.2
Foreign (%)	34.8	31.9
Others (%)	0	0.2



## Employment – New Hire

GRI 401-1	Gender	2023	2024
Male	Under 30 years old (%)	44.3	30.5
	30 – 50 years old (%)	54.5	65.3
	Over 50 years old (%)	1.3	4.2
Female	Under 30 years old (%)	52.6	42.9
	30 – 50 years old (%)	47.4	57.1
	Over 50 years old (%)	0.0	0.0

## All Training and Development (total hours of training)

GRI 404-1	2023	2024
Management (Group A & B)	1,242	2,875
Executive & Supervisory (Group C)	3,087	4,653
Non-executive & Support Group (Group D)	3,912	3,051

## Employee Benefits

Annual & Sick Leaves	Group Hospitalisation & Surgical (GHS) Insurance Plan	Dental and Optical Benefits	Corporate Data Plan Line
Paternity & Maternity Leaves	Group Personal Accident (GPA) Insurance Plan	Periodic Medical Examination	Travelling / Relocation allowance
Marriage & Bereavement Leaves	Medical Coverage for outpatient medical attention and treatment	Staggered Working Hours	Employee Gets Employee Scheme (EGES)

# SUSTAINABILITY STATEMENT

## OCCUPATIONAL SAFETY & HEALTH PRACTICES (GRI 401-1, 404-1, 405-1)



### Importance to Us

At ADVANCECON, the health, safety, and well-being of our employees, contractors, and stakeholders are fundamental to our success. We are committed to fostering a workplace culture where safety is a shared responsibility and a core value integrated into every aspect of our operations.

Guided by stringent Occupational Safety and Health (OSH) Standards and Regulatory Requirements, ADVANCECON prioritizes proactive risk management, continuous improvement and employee engagement. Our comprehensive OHS programs include regular training, workplace hazard assessments and implementation of robust safety protocols to ensure zero harm.

ADVANCECON believes that a safe work environment not only enhances productivity but also reflects our respect for the people who drive our success. By embedding health and safety practices into our daily operations and empowering our workforce with the tools and knowledge to uphold these standards, we continue to build a resilient and responsible organization.

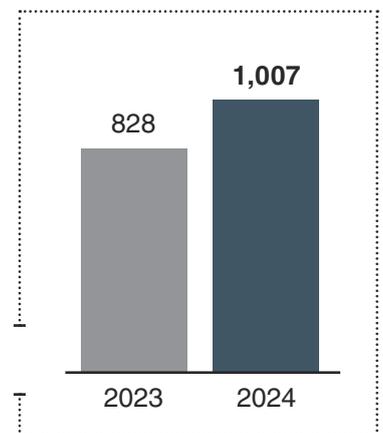
### Our Approach

- HSE induction during On-Boarding new hiring
- Encourage proactive safety reporting and participation to manage risks (UCUA)
- Continuous improvement to enhance safety practices and standards
- Collecting and monthly analysis of HSE performance statistics

### Our Achievement

BM C5 (a) & (b)	2023	2024
Lost Time Injuries Rate (LTIR)	17.24	0
Number of Fatalities	1	0

GRI 404-1	2023	2024
Employee trained on health & safety standards (Number of Employees)	828	1,007



No.	List of Trainings Relating to Occupational Safety & Health
1.	24 <sup>th</sup> Conference and Exhibition on Occupational Safety and Health 6th Scientific Conference on Occupational Safety and Health “The Future of Work”
2.	Traffic Management Supervisor
3.	HSSE Convention 2024
4.	ISO 45001 Intensive Program-OSH Leadership and Communication with Impact

# SUSTAINABILITY STATEMENT

## Hazard Assessment, Incident Investigation, Consultation and Participation of Workers

To ensure that our occupational health and safety practices remain effective, we have conducted annual reviews of our health and safety risks based on the Hazard Identification, Risk Assessment and Risk Control (HIRARC) methodology which is published by the Department of Occupational Safety and Health (DOSH).

We have also implemented a worker participation and consultation program in the form of an Occupational Health and Safety Committee (OHSC) which meets every month to discuss issues which relate to health and safety at the workplace based on latest development, OSH action plan/program implementation, HIRARC discussions, workplace OSH management walkabout inspection discussions for previous and current month, machinery inspection discussions and OSH statistics for previous and current month. To ensure effectiveness of this committee, we have provided each member with internal training and communication to allow them to understand the legal requirements related to occupational health and safety, as well as applicable legal requirements.



Monthly OSH Committee Meeting



OSH Management Walkabout Inspection



# SUSTAINABILITY STATEMENT

## Worker Training & Education

Annually, we will perform a training needs assessment to determine the types of health and safety training required by the respective business units and departments. This assessment is based on the discussions during the Occupational Safety and Health Committee meetings against the risk assessment performed for each business unit.

We have employees who are proficient in our operations to guarantee that the management system continues to function effectively such as Safety and Health Officers, Emergency Response Teams and trained First Aiders etc. These competencies allow us to react to incidences and emergencies which may arise in our operations.

In addition to planned trainings, we have also implemented tool-box meetings where we provide training which are relevant to daily operations including knowledge on using work equipment, and risk associated with daily tasks. These briefings and communications are conducted by the safety personnel in-charge of each respective site.



Annual Basic Occupational First Aid (BOFA) Competency course



OSH Induction during On Boarding Session



OSH Induction during On Boarding Session

# SUSTAINABILITY STATEMENT



Annual Fire Fighting and Emergency Response Plan Training



OSH Toolbox Briefing at project site



# SUSTAINABILITY STATEMENT



Daily exercise conducted prior to start toolbox briefing



OSH Awareness Training (for Safety, Environment & Traffic Management)

# SUSTAINABILITY STATEMENT



Quarterly Machinery Inspection by Machinery Inspector



Authority Inspection Visit

# SUSTAINABILITY STATEMENT

## GOOD GOVERNANCE PRACTICES



### ANTI-BRIBERY & CORRUPTION (GRI 205-1, 205-2, 205-3)

#### Importance to Us

We strive to ensure that business is performed in an ethical manner, which is free from any and/or all forms of corruption. We have previously adopted a strict zero tolerance for instances of bribery and corruption.

#### Our Approach

In 2023, we have established our Anti-Bribery and Corruption Policy (“**ABAC Policy**”) which was endorsed by the Group Chief Executive Officer on 1st August 2023. The policy is developed based on the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and all guidelines published by the Malaysian Anti-Corruption Commission related to the Act. This policy is published and made available in our website. This policy lays out the guiding principles for managing bribery and corruption risk throughout our operations and sets out guiding principles for identifying the risk through due diligence processes.

On an annual basis, we review all our operational activities on bribery and corruption risks. These are reported to the Risk Management and Sustainability Committee for purpose of determining strategies to mitigate any bribery and corruption risks identified.

#### Our Achievement

In an effort to ensure that our ABAC Policy is effectively implemented, we have conducted in-house training for our employees to help them understand the ABAC Policy and how preventing bribery and corruption in the workplace can better improve the business. In year 2024, ADVANCECON achieved 100% of our employees having attended trainings on the ABAC Policy, Anti-Bribery and Corruption in the Workplace and Section 17A Corporate Liability. Moving forward, we have included the ABAC Policy as an onboarding requirement for new employees.

#### Employee Demographics (percentage) - GRI 405

GRI 205-2	2023	2024
Management (Group A & B) (%)	85.0	100.0
Executive & Supervisory (Group C) (%)	94.0	100.0
Non-executive & Support Group (Group D) (%)	34.4	100.0

To solidify a safe and conducive work environment at ADVANCECON, our Whistleblowing Policy which outline misconduct reporting process. This whistleblowing channel and the whistleblowing policy is available through the website and can be used to report any cases of bribery or corruption in a structured and anonymous manner. In 2024, there has not been any cases of bribery reported through our formal whistleblowing channel or through any informal channels available to the Group.

# SUSTAINABILITY STATEMENT



	2023	2024
Operations assessed for corruption risks (%)	100	100
Number of confirmed cases of corruption (number of cases)	0	0



## SUPPORTING OUR COMMUNITIES (GRI 413-1, 413-2)



### Importance to Us

Communities with a strong social fabric are essential for the long-term success of any business. Such communities foster a stable and supportive environment that attracts and retains top talent, stimulates innovation and enhance productivity. ADVANCECON are aware of this link and give focus to create shared value with our communities for a responsible corporate citizen and strengthens our relationships with stakeholders.

### Our Approach

Driven by our “ADVANCE” value, ADVANCECON’s community engagement strives to empower our stakeholders. We achieve this by reinvesting a portion of our profits into the communities we operate in and causes that we care for, with the aim of stimulating socioeconomic growth and helping marginalised individuals. We have performed these initiatives based on the request of the respective stakeholders. These includes performing financial donations for various activities including sports and school programs.

# SUSTAINABILITY STATEMENT

## Our Achievement

ADVANCECON (Through AHB and AISB) invested RM 75,964.00 in year 2024 on community engagement and positively influencing the 13 communities in a favourable way. The table below contains a list of beneficiaries: -

Company/NGO/Name of Beneficiary Receipt	Events/Purposes
Tetuan SACC Convec Sdn Bhd	<ul style="list-style-type: none"> <li>Donated RM6,000 for Wacana Srikandi 2024 in conjunction with Women's Day</li> </ul>
PIBG SMK Bandar Sunway	<ul style="list-style-type: none"> <li>Donated RM2,826 for Program Gotong Royong 2024</li> <li>Contributed RM5,000 to upgrade the lighting in assembly hall</li> </ul>
Bendahari Majlis Kebajikan dan Sukan Anggota-anggota Kerajaan (MAKSAK) Selangor	<ul style="list-style-type: none"> <li>Donated RM2,000 for Sukan JKR Semalaysia 2024</li> <li>Donated RM2,500 for MAKSAK Games 2024-Valleyball Game</li> </ul>
UOB Share the Love	<ul style="list-style-type: none"> <li>Donated RM3,000 for 2024 UOB Global Heartbeat Run Fundraiser</li> </ul>
Kelab Silat Seni Gayong Warisan Purba	<ul style="list-style-type: none"> <li>Contributed RM1,500 for Opening Ceremony Gelanggang Kelab Silat Seni Gayong Warisan Purba</li> </ul>
Persatuan Komuniti India Ladang Baru	<ul style="list-style-type: none"> <li>Donated RM1,000 for Deepavali Event</li> </ul>
Persatuan Penduduk Taman Alam Budiman	<ul style="list-style-type: none"> <li>Contribution RM20,750 for the Carnival Alam Budiman Programme 2024 in conjunction with the Launch of the Abra Recreation and Leisure Club</li> </ul>
Tropicana Corporation Berhad	<ul style="list-style-type: none"> <li>Sponsored RM1,000 for Tropicana Corporation Berhad Annual Dinner 2024</li> </ul>
Persatuan Perniagaan Malaysia-China	<ul style="list-style-type: none"> <li>Contributed RM3,000 for Jelajah Amal Ramadan 2024</li> </ul>
Persatuan Tarian Naga Dan Singa Heng Nian Serendah	<ul style="list-style-type: none"> <li>Sponsored RM2,388 for New Lion Dance</li> </ul>
Pertubuhan Kebajikan As Sakinah Kuala Lumpur	<ul style="list-style-type: none"> <li>Contributed RM5,000 to the success of the charity golf tournament in an effort to raise funds to fund community, education and welfare programmes</li> </ul>
Kelab Sukan Dan Kebajikan Bahagian Pembangunan Dan Penswastaan Kementerian Kerja Raya Malaysia	<ul style="list-style-type: none"> <li>Contributed RM5,000 towards the operation of club</li> </ul>
Loke Association of Malaysia	<ul style="list-style-type: none"> <li>Contributed RM15,000 towards the operation of association</li> </ul>

We have also performed non-financial activities including blood donation drives and employee engagement programs during the festive season to give back to our stakeholders, both internally and externally.

# SUSTAINABILITY STATEMENT



October 2024, ADVANCECON contribute to upgrade the lighting in assembly hall of SMK Bandar Sunway

12 July 2024, ADVANCECON giving hand and donations during SMK Bandar Sunway Gotong Royong Programme



# SUSTAINABILITY STATEMENT

## SUPPLY CHAIN GOVERNANCE



### Importance to Us

At ADVANCECON, strong supply chain governance is fundamental to ensuring that our operations are sustainable, ethical and resilient. Our commitment to responsible supply chain management reflects our values of integrity, transparency and accountability towards ensuring that all suppliers and partners align with our standards for environmental, social and governance (ESG) performance.



By establishing robust policies, clear expectations and regular oversight mechanisms, we aim to foster collaboration with suppliers who share our dedication to compliance, quality and sustainability. Our approach emphasizes risk management, ethical sourcing and continuous improvement across every stage of the supply chain.

Supply chain governance at ADVANCECON is not just about meeting regulatory requirements; it is about creating long-term value for all stakeholders. Through rigorous assessment, capacity building and innovation, we strive to build a supply chain that is not only efficient but also a driver of positive change for the environment and society.

### Our Approach

- Anti-Bribery & Corruption Policy Statement applies to all our sub-contractors and suppliers
- No dealings with any party that is suspected of engaging in bribery or improper business conduct

## PROPORTION OF SPENDING ON LOCAL SUPPLIERS (GRI 204-1)



### Importance to Us

At ADVANCECON, we are committed to supporting local economic growth by prioritizing the engagement of local suppliers in our procurement processes. This approach not only strengthens our connection to the communities we operate in but also fosters sustainable development by creating jobs and building resilient local supply chains. By collaborating with local businesses, we aim to enhance their capabilities, promote fair trade practices and minimize the environmental footprint in our procurement activities.

While ADVANCECON prioritizes local sourcing to support economic growth and community development, there are circumstances where engaging foreign suppliers is necessary to maintain operational excellence and fulfil project requirements. In some cases, foreign suppliers can offer competitive pricing due to economies of scale or lower production costs, enabling the company to optimize expenses without compromising quality.

Our dedication to local sourcing reflects our broader commitment to sustainability, inclusivity and shared prosperity. Through this focus, ADVANCECON continues to drive positive economic and social impacts while delivering value to all stakeholders.

### Our Approach

- Building long-term relationship with local suppliers based on mutual trust
- Maximum utilisation of the SQL software
- Evaluate the performance of suppliers annually

### Our Achievement

	2023	2024
Local Suppliers (%)	84.9	95.0
Foreign Suppliers (%)	15.1	5.0

# SUSTAINABILITY STATEMENT

## DATA PRIVACY AND SECURITY (GRI 418-1)



### Importance to Us

At ADVANCECON, we recognize that data privacy and security are critical in maintaining trust and protecting the interests of our stakeholders. In an increasingly digitalized world, safeguarding sensitive information is not just a regulatory requirement but the cornerstone of responsible business practices.

We are committed in upholding the highest standards of data protection by implementing robust security measures, ensuring compliance with applicable data privacy laws and fostering a culture of accountability. Our comprehensive data privacy framework includes secure systems, regular audits, employee training and incident response protocols to mitigate risks and protect against breaches.

By prioritizing transparency and ethical data practices, ADVANCECON aims to empower our clients, employees and partners with the confidence that their information is handled with the utmost care. Together, we ensure that data security remains integral to our operations, driving trust and resilience across all our business activities.



### Our Approach

- a. Adherence to relevant laws such as Personal Data Protection Act, 2010
- b. Clear data policy on how data is collected, processed, stored and shared
- c. Implemented IT Disaster Policy

### Our Achievement

	2023	2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0



# SUSTAINABILITY STATEMENT

## ESG PERFORMANCE DATA

ESG Performance	2023	2024
<b>ENVIRONMENTAL PERFORMANCE</b>		
<b>Energy Consumption</b>		
Energy from diesel & petrol (kWh)	3,275,477.30	208,184,210.57
Purchased electricity (kWh)	4,051,983.13	3,717,741.00
Renewable Solar Generation (kWh)	NA	14,110.00
Total Energy Consumption (kWh)	7,327,460.43	211,887,851.57
<b>Greenhouse Gas Emissions</b>		
Scope 1 Emissions (tCO <sub>2</sub> e) – covering diesel and petrol	53,217.38	54,773.05
Scope 2 Emissions (tCO <sub>2</sub> e) – covering purchased electricity	3,069.30	2,877.53
Scope 3 Emission (tCO <sub>2</sub> e) – covering employee commute	NA	510.39
Total Scopes 1, 2 & 3 Emissions (tCO <sub>2</sub> e)	56,286.68	58,160.97
<b>Water Consumption</b>		
Municipal Water Sources (m <sup>3</sup> )	90,811	74,815
Natural Water Sources (m <sup>3</sup> )	215,678	145,668
Total Water Consumption	306,489	220,483
<b>Waste Management</b>		
Total waste directed to disposal (MT)	530.79	1,587.32
Total waste diverted from disposal (MT)	0.25	181.07
Total waste generated (MT)	530.79	1,768.39

# SUSTAINABILITY STATEMENT

## ESG PERFORMANCE DATA

ESG Performance	2023	2024
<b>SOCIAL COMPLIANCE</b>		
<b>Occupational Safety &amp; Health Performance</b>		
Number of Work-Related Fatalities (number of cases)	1	0
Lost Time Injury Rate	17.24	0
Employees trained on health & safety standards (number of employees)	828	1007
<b>Employee Training</b>		
Training Hours – Management (number of hours)	1,242	2,875
Training Hours – Supervisory & Executive (number of hours)	3,087	4,653
Training Hours – Non-Executive & Support Groups (number of hours)	3,912	3,051
Total Training Hours (number of hours)	8,241	10,579
<b>Employee Demographics</b>		
Employee of Contractors or Temporary Staff (%)	36	23
Direct Employees (%)	64	77
<b>Gender Demographics</b>		
Director – Male (%)	80	83
Director – Female (%)	20	17
Management – Male (%)	78.8	75.8
Management – Female (%)	21.2	24.2
Executive & Supervisory – Male (%)	74.0	57.4
Executive & Supervisory – Female (%)	26.0	42.6
Non-Executive & Support Groups – Male (%)	92.4	97.2
Non-Executive & Support Groups – Female (%)	7.6	2.8



# SUSTAINABILITY STATEMENT

## ESG PERFORMANCE DATA

<b>ESG Performance</b>	<b>2023</b>	<b>2024</b>
<b>Age Demographics</b>		
Director – below 50 years old (%)	20	33.3
Director – 50 – 59 years old (%)	0	0
Director – 60 – 69 years old (%)	80	66.7
Director – above 70 years old (%)	0	0
Management – below 30 years old (%)	0	3.2
Management – between 30 to 50 years old (%)	64.6	87.1
Management – above 50 years old (%)	35.4	9.7
Executive & Supervisory – below 30 years old (%)	30.2	33.1
Executive & Supervisory – between 30 to 50 years old (%)	57.4	65.5
Executive & Supervisory – above 50 years old (%)	12.4	1.4
Non-Executive & Support Groups – below 30 years old (%)	38.8	30.8
Non-Executive & Support Groups – between 30 to 50 years old (%)	50.1	66.8
Non-Executive & Support Groups – above 50 years old (%)	11.1	2.4
<b>Ethnicity Demographics</b>		
Bumiputera (%)	44.4	44.8
Chinese (%)	18.2	21.0
Indian (%)	2.7	2.2
Foreign (%)	34.8	31.9
Others (%)	0.0	0.2
<b>Employee Turnover</b>		
Employee Turnover – Management (number)	14	13
Employee Turnover – Executive/Supervisory (number)	51	49
Employee Turnover - Non-Executive & Support Groups (number)	494	301
Total Employee Turnover (number)	559	363

# SUSTAINABILITY STATEMENT

## ESG PERFORMANCE DATA

ESG Performance	2023	2024
<b>GOOD GOVERNANCE PRACTICES</b>		
<b>Anti-Corruption Management</b>		
Operations assessed for corruption risks (%)	100	100
Number of confirmed cases of corruption (number of cases)	0	0
Employees trained on Anti-Corruption – Management (%)	85.0	100
Employees trained on Anti-Corruption – Executive & Supervisory (%)	93.6	100
Employees trained on Anti-Corruption – Non-Executive & Support Group (%)	31.4	100
<b>Community &amp; Society</b>		
Amount invested in community (RM)	36,400.00	75,964.00
Beneficiaries of investment (number of groups)	25	13
<b>Supply Chain Management</b>		
Proportion of spending on local supplies (%)	75	95
<b>Data Privacy &amp; Security</b>		
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data (number of cases)	0	0



# AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of Advancecon Holdings Berhad (“the Company”) is pleased to present the Audit Committee (“AC”) Report for the financial year ended 31 December 2024 (“FY2024”).

## AC COMPOSITION AND ATTENDANCE

The AC comprises of three members and all of whom are Independent Non-Executive Directors (“INEDs”), which meets the requirements of Paragraphs 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”).

The AC currently comprises of the following members:

1. Mohd Zaky Bin Othman (Chairman, INED)
2. Yeoh Chong Keat (Member, INED)
3. Jananee Priya A/P Gopal (Member, INED)

In FY2024, the AC met five (5) times and had private discussions with both the External Auditors without the presence of the Executive Directors and the Management. The Executive Directors, Finance Manager, Manager Group CFO Office, External Auditors, Internal Auditors and other Board members attended the AC meetings upon invitation, as and when necessary. The attendance record of AC members is as follows:

Name	Meeting attendance
Mohd Zaky Bin Othman	5/5
Yeoh Chong Keat	5/5
Jananee Priya A/P Gopal	5/5

During the FY2024, the AC had engaged with the external auditors to review the key audit issues and audit concerns affecting the Company.

Minutes of each AC meeting were noted by the Board via distribution to each Board member and the Chairman of the AC reports on the deliberations of the AC at each Board meeting.

## TERM OF REFERENCE (“TORs”) OF THE AC

The AC had discharged its functions and carried out its duties as set out in the TORs of the AC.

The TORs of the AC is available for reference on the Company’s website at [www.advancecon.com.my](http://www.advancecon.com.my).

# AUDIT COMMITTEE REPORT

## SUMMARY OF ACTIVITIES OF THE AC DURING THE FY2024

During the FY2024, the summary of activities carried out by the AC is as follows:

### 1. Financial Reporting

- (a) Reviewed the unaudited financial results of the Group and annual audited financial statements of the Group before recommending the same for Board's approval for release to Bursa Securities. Discussions were focused particularly on any change in the accounting policies and its implementation; significant and unusual events arising from the audit; the going concern assumption; compliance with accounting standards and other statutory requirements; significant matters highlighted in the financial statements; and significant judgements made by Management.

### 2. Internal Audit

- (a) Reviewed and approved the Internal Audit Plan for FY2024 proposed by the Internal Auditors ("Sterling") to ensure the adequacy of the scope, coverage of works and that Sterling has the necessary authority to carry out its works.
- (b) Reviewed the Internal Audit Reports together with the recommendations from Sterling. The AC considered Sterling's recommendations which had taken into account the Management's responses, and upon which approved the Internal Auditors' proposals for rectification and implementation of the agreed remedial actions.
- (c) Undertook assessment of the performance of the internal auditors and reviewed the effectiveness of the audit processes.

### 3. External Audit

- (a) Discussed and deliberated the External Auditors' Audit Planning Memorandum which covers engagement and reporting requirements, audit approach, areas of audit emphasis, communication with management, engagement team, reporting and deliverables, accounting standards update, tax update, amendments to MMLR, sample draft Independent Auditor's Report, indicators of going concern and enforcement of Companies Act 2016.
- (b) Discussed and deliberated on the External Auditors' Audit Review Memorandum and deficiencies in internal control based on observations made during the course of audit.
- (c) Reviewed the draft Audited Consolidated Financial Statements for the financial year ended 31 December 2024 before recommending the same to the Board for approval.
- (d) Had discussions with both the External and Internal Auditors, without Management's presence, on matters pertaining to the audits and the financial statements.
- (e) Evaluated and reviewed the performance and independence of the External Auditors and recommended to the Board for the reappointment and remuneration of the External Auditors.

# AUDIT COMMITTEE REPORT

## 4. Related Party Transactions (“RPT”) and/or Conflict of Interest (“COI”)

- (a) Reviewed and recommended the RPT presented by Management to the Board on quarterly basis for approval, to ensure that these transactions are undertaken in the best interest of the Company, fair, reasonable and based on normal commercial terms and not detrimental to the interest of the minority shareholders.
- (b) Monitored the thresholds of the RPT and recurrent related party transactions (“RRPT”) to ensure compliance with MMLR.

## 5. Annual Reporting

Reviewed the AC Report and Statement on Risk Management and Internal Control to ensure adherence to the relevant statutory requirements and recommended the same to the Board for approval.

## 6. Employees’ Share Option Scheme (“ESOS”)

Reviewed and verified the options allocations pursuant to the ESOS of the Company during the financial year under review. The AC was satisfied that the allocation of options during the FY2024 was in compliance with the criteria set out in the ESOS By-Laws and by the ESOS Committee.

## **TRAINING**

During the FY2024, all of the AC members have attended various seminars, training programme and conferences. The list of trainings attended is disclosed in the Corporate Governance Overview Statement on pages 28 to 39 of this Annual Report.

## **INTERNAL AUDIT FUNCTION**

The Company engaged the services of an independent professional firm i.e., Sterling Business Alignment Consulting Sdn Bhd (“Sterling”) to carry out the internal audit functions of the Group in order to assist the AC in discharging its duties and responsibilities. The Internal Auditors are empowered by the AC to provide objective evaluation of risks and controls in the audited activities to ensure a sound system of internal controls.

The Internal Auditors adopts a risk-based audit methodology to develop its audit plan and activities. The internal audit functions of the Group are carried out according to the internal audit plan as approved by the AC. Greater focus and appropriate review intervals are set for higher risk activities, material internal controls, including compliance with the Company’s policies, procedures and regulatory requirements.

During the FY2024, the Internal Auditors have performed the internal audit according to the approved internal audit plan. Internal Audit Reports were issued and tabled at each AC meeting throughout FY2024. The Internal Audit Reports were also issued to the respective operations management, incorporating audit recommendations and Management responses. The Internal Auditors conducted follow-up audits to ensure the recommendations were implemented appropriately. Further details of the internal audit function and its activities are provided in the Statement on Risk Management and Internal Control, set out in pages 40 to 43 of this Annual Report.

The cost incurred for the internal audit function in respect of the FY2024 was RM28,000 (FY2023: RM40,000).

This report is dated 27 February 2025.

# NOMINATION COMMITTEE REPORT

This Report has been reviewed by the Nomination Committee (“NC”) and approved by the Board of Directors of Advancecon for inclusion in this Annual Report 2024.

## **COMPOSITION OF THE NC**

The composition of the NC is as listed below and complies with Paragraph 15.08A of the MMLR of Bursa Securities which states that a nomination committee shall comprise exclusively of Non-Executive Directors, a majority of whom must be independent:

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Yeoh Chong Keat	Chairman	Independent Non-Executive Chairman
Mohd Zaky Bin Othman	Member	Independent Non-Executive Director
Jananee Priya A/P Gopal	Member	Independent Non-Executive Director

The NC is chaired by Yeoh Chong Keat, who is an Independent Director, thereby meeting Practice 5.8 of the Malaysian Code on Corporate Governance 2021 that the nomination committee should be chaired by an independent director or the senior independent director.

During FY2024, the NC continued to play a key role in assisting the Board to fulfil its oversight responsibilities, primarily relating to the Board’s composition and appointment of key Senior Management, assessing the effectiveness of the Board and Board Committees. In discharging its responsibilities, the NC is guided by the NC Terms of Reference, which may be reviewed at the Company’s website at [www.advancecon.com.my](http://www.advancecon.com.my).

The Executive Directors and Senior Management were invited to the NC meetings to facilitate deliberations as well as provide clarifications on the proposals tabled for the NC’s consideration. An update of key deliberations and recommendations by the NC were reported to the Board at its meetings. The Company Secretaries served as the secretaries of the NC.

## **SUMMARY OF ACTIVITIES OF THE NC**

The NC’s key activities throughout FY2024 are summarized below:

### **a) Board Effectiveness Evaluation**

The annual Board assessment FY2024 was carried out by the NC with the assistance of the Company Secretaries.

A self-assessment questionnaire was circulated to all the Board members, and used to assess the Board as a whole, the Board Committees as well as the Directors individually. There were a number of parameters considered to ensure a holistic evaluation. The assessment covered areas which include, inter alia, the responsibilities of the Board in relation to its role and function, strategic planning, succession plans for the Board and Senior Management, corporate governance, and monitoring the Company’s performance.

Other areas evaluated include the composition and size of the Board and Board Committees, the Board’s decision making and output, information and the overall perception of the Board and support rendered to the Board.

The NC also assessed the contributions of each member of the Board, his knowledge and abilities, integrity, as well as his personal commitment to Board responsibilities.

# NOMINATION COMMITTEE REPORT

## **a) Board Effectiveness Evaluation (Cont'd)**

Independent Non-Executive Directors are further assessed on their ability to exercise independent judgement, in addition to their ability to demonstrate the values and principles associated with independence such as impartiality, objectivity and consideration of all stakeholders' interests, where deemed necessary.

## **b) Re-election of Directors**

The Company Secretaries monitor the Directors' retirement by rotation at each annual general meeting (AGM) and submit the proposal to the NC in accordance with the Constitution of the Company, which requires one-third of the total number of Directors, or if the number is not a multiple of three, the number nearest to one-third, to retire by rotation at the AGM each year. The NC reviews the performance of the said Director(s) who is(are) retiring by rotation and make the appropriate recommendation to the Board.

The NC is satisfied with the performances of Yeoh Chong Keat and Tung Kai Hung. Yeoh Chong Keat and Tung Kai Hung are retiring pursuant to Clause 125 of the Company's Constitution and are seeking shareholders' approval for re-election at the Twenty-Eighth (28<sup>th</sup>) Annual General Meeting of the Company. Yeoh Chong Keat and Tung Kai Hung abstained from deliberations on their own re-elections, where applicable.

At this juncture, the Group wishes to highlight that it practices non-discrimination in any form, whether based on age, gender, ethnicity or religion throughout the organisation. This includes the selection of Board members and Senior Management. In addition, the Group believes that it is of utmost importance that our Board comprises of the qualified individuals who possess the requisite knowledge, experience, independence, foresight and judgement to ensure that our Board functions effectively and discharges its duties in the best interests of the Company and shareholders.

This report is dated 27 February 2025.

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

## IN RESPECT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Directors are required by the Companies Act 2016 (“the Act”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to prepare the financial statements for each financial year in accordance with applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and requirements of the Act in Malaysia.

The Directors are responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensure that all applicable accounting standards have been followed; and
- prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.



# ADDITIONAL COMPLIANCE INFORMATION

## 1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

Save as disclosed below, the Group does not have any proceeds from corporate proposals.

### Utilisation of proceeds from the Initial Public Offering (“IPO”)

Advancecon Holdings Berhad (“the Company”) has undertaken a Public Issue of 90,000,000 new ordinary shares at an issue price of RM0.63 per share in conjunction with its listing on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Company was successfully admitted to the Official Lists of Bursa Securities on 10 July 2017.

The IPO Proceeds have been fully utilised during the financial year ended 31 December 2024, as outlined below:

Details of utilisation		Allocation of IPO Proceeds upon listing <sup>(1)</sup> (RM'000)	Allocation of IPO Proceeds upon listing (revised) (RM'000)	Actual utilization of IPO Proceeds (RM'000)	Unutilised IPO Proceeds (RM'000)	Estimated timeframe for utilisation (from the listing date)
i.	Total Capital expenditures:	29,700	16,385	(16,385)	-	Within 90 months <sup>(4)</sup>
	(a) Purchase of new construction machinery and equipment	15,100	15,100	(15,100)	-	Within 24 months
	(b) Construction of new workshop	14,600	1,285 <sup>(2)(5)</sup>	(1,285)	-	Within 90 months <sup>(4)</sup>
ii.	Repayment of bank borrowings	12,500	12,455 <sup>(2)</sup>	(12,455)	-	Within 6 months
iii.	Working capital	10,700	24,060 <sup>(2)(5)</sup>	(24,060)	-	Within 90 months <sup>(5)</sup>
iv.	Estimated listing expenses	3,800	3,800	(3,800)	-	Upon Listing
		<b>56,700</b>	<b>56,700</b>	<b>(56,700)</b>	-	

Notes:-

- (1) As per IPO Prospectus dated 19 June 2017.
- (2) On 29 August 2018, the Board announced to re-allocate the utilisation of construction of new workshop and repayment of bank borrowings, respectively, to the day-to-day working capital expenses for payment to suppliers.
- (3) On 6 January 2022, the Board announced to further extend the estimate timeframe for the utilisation of the balance IPO proceeds from 54 months to 78 months from date of IPO, up till 10 January 2024.
- (4) On 18 December 2023, the Board announced to further extend the estimate timeframe for the utilisation of the balance IPO proceeds from 78 months to 90 months from date of IPO, up till 10 January 2025.
- (5) On 03 April 2024, the Board announced to vary the Unutilised IPO Proceeds allocated for construction of new workshop of approximately RM12.81 million to working capital.

# ADDITIONAL COMPLIANCE INFORMATION



## 2. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid/payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Group and the Company for the financial year ended 31 December 2024 are as follows:-

Type of fee	Group (RM)	Company (RM)
Audit Fees	368,000	55,000
Non-audit Fees		
- Review of Statement of Risk Management and Internal Control	5,000	5,000
<b>Total</b>	<b>373,000</b>	<b>60,000</b>

## 3. REVALUATION POLICY

The Company does not have a revaluation policy on landed properties.

## 4. MATERIAL CONTRACTS

During the year under review, the Company and its subsidiaries did not enter into any material contracts involving Directors' and major shareholders' interest.

## 5. EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company was approved by the Shareholders at an Extraordinary General Meeting held on 18 December 2024 and is governed by the By-Laws. The ESOS was implemented on 18 December 2024 and shall be in force for a period of five (5) years and may be extended for a further period of up to five (5) years to up to 17 December 2034.

The total number of options granted, exercised and outstanding under the ESOS during the financial year ended 31 December 2024 are set out in the table below:

(a) Total number of options granted, exercised and outstanding

Total number of options granted *	Total number of options exercised	Total options outstanding as at 31 December 2024
86,224,500	-	86,224,500

(b) Total number of options granted to the Directors and Chief Executive

Aggregate number of Options	
Aggregate number of Options Granted*	Aggregate number of Options Exercised
40,000,000	-

# ADDITIONAL COMPLIANCE INFORMATION

## 5. EMPLOYEES SHARE OPTION SCHEME (“ESOS”) (CONT’D)

(c) The aggregate maximum allocation and actual granted to the Directors and senior management.

<b>Directors and Senior Management</b>	<b>Since commencement up to 31 December 2024</b>
Aggregate maximum allocation	60,357,150
Actual options granted	55,000,000

## 6. CONTRACTS RELATING TO LOANS

There were no contracts relating to loans entered into by the Company involving Directors’ and major shareholders’ interest.

## 7. RELATED PARTY TRANSACTIONS

A list of the significant related party transactions between the Company and its subsidiaries, and between the Group and other related parties for the FY2024 is set out on page 192 to 194 of the Annual Report.



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# DIRECTORS' REPORT

The Directors of Advancecon Holdings Berhad hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing management services, whilst the principal activities of the Group, comprising the Company and its subsidiaries, which involved in construction and support services, property investments, green energy, property developments and quarry operations.

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

## FINANCIAL RESULTS

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

	Group RM	Company RM
(Loss)/Profit for the financial year	(21,566,330)	28,543,274
Attributable to:-		
Owners of the Parent	(22,737,059)	28,543,274
Non-controlling interests	1,170,729	-
	(21,566,330)	28,543,274

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

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

## DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

## Issue of Shares and Debentures

There was no issuance of shares and debentures during the financial year.

# DIRECTORS' REPORT

## TREASURY SHARES

During the financial year, the Company repurchased 520,600 ordinary shares of its issued share capital from the open market. The average price paid for the share repurchased was RM0.24 per share. The total consideration paid for the repurchase, including transaction costs, was RM126,935. The repurchased transactions were financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Of the total 584,731,900 (2023: 584,731,900) issued and fully paid-up ordinary shares at the ending of the reporting period, 9,901,900 (2023: 9,381,300) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

## SHARE OPTIONS

No options were granted to any person to take up unissued shares of the Company during the financial year.

## EMPLOYEE SHARE OPTION SCHEME

The Employee Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 18 December 2024. The ESOS is to be in force for a period of 5 years effective from 18 December 2024.

The details of the ESOS are disclosed in Note 25.

## DIRECTORS

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

Dato' Phum Ang Kia\*  
Tung Kai Hung\*  
Yeoh Chong Keat  
Mohd Zaky Bin Othman  
Jananee Priya A/P Gopal  
Tan Chee Keong\* (Appointed on 1 August 2024 and resigned on 16 April 2025)

*\* Director of the Company and of its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Yap Soon Huat  
Dato' Chin Han Keat  
Yap Ho Huat  
Lim Chin Khuan  
Lim Ten Fung  
Lt. Kol. (B) Dato' Haji Nor Hashim Bin Abdul Aziz  
Yap Chai Huat



# DIRECTORS' REPORT

## DIRECTORS (CONT'D)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) in office during the financial year and during the period from the end of the financial year to the date of this report are: (Cont'd)

Yap Yee Huat  
Lim Kok Tiong  
Puah Kian Yiew  
Dato' Neoh Soon Hiong

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

## DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the 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 their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	<-----Number of Ordinary Shares----->			
	At 1.1.2024	Acquired	Disposed	At 31.12.2024
<b>Interests in the Company</b>				
<b>Direct Interests:</b>				
Dato' Phum Ang Kia	97,563,750	-	-	97,563,750
Tung Kai Hung	9,775,250	-	-	9,775,250
Yeoh Chong Keat	-	50,000	-	50,000
Tan Chee Keong	-	689,900	-	689,900
<b>Indirect Interests:</b>				
Dato' Phum Ang Kia*	150,000	-	-	150,000

	<-----Number of Options under ESOS----->			
	At 1.1.2024	Granted	Exercised	At 31.12.2024
<b>Interests in the Company</b>				
<b>Direct Interests:</b>				
Dato' Phum Ang Kia	-	15,000,000	-	15,000,000
Tung Kai Hung	-	12,500,000	-	12,500,000
Tan Chee Keong	-	12,500,000	-	12,500,000

\* Deemed interests pursuant to Section 59(11)(c) of the Companies Act, 2016 by virtue of his spouse's and/or child's direct interests in the Company.

# DIRECTORS' REPORT



## DIRECTORS' INTERESTS IN SHARES (CONT'D)

By virtue of his interests in the shares of the Company, Dato' Phum Ang Kia is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the Directors' Remuneration of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 38(b).

Neither during nor at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The details of the Directors' remuneration paid/payable to Directors of the Group and of the Company during the financial year are as follows:

	Group RM	Company RM
Salary and other emoluments	2,164,302	1,566,602
Directors' fees	221,640	221,640
Defined contribution plans	207,665	183,935
	<u>2,593,607</u>	<u>1,972,177</u>

## INDEMNITY AND INSURANCE COSTS

During the financial year, the total amounts of indemnity coverage and insurance premium paid for the directors and a principal officer of the Group and of the Company were RM10,000,000 and RM25,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

# DIRECTORS' REPORT

## **OTHER STATUTORY INFORMATION**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and 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 have been written down to an amount which the current assets might be expected so to realise.
- (b) 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 current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) 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.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) 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; and
  - (ii) the results of the 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 financial year in which this report is made.

## **SUBSIDIARY COMPANIES**

The details of the subsidiary companies are disclosed in Note 8.

# DIRECTORS' REPORT

## AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 is RM373,000 and RM60,000.

## AUDITORS

The auditors, UHY Malaysia PLT, have expressed their willingness to continue in office.

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors.

**DATO' PHUM ANG KIA**

**TUNG KAI HUNG**

KUALA LUMPUR

24 April 2025



# STATEMENT BY **DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of Advancecon Holdings Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards (“MFRS”) Accounting Standards, International 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 Company as of 31 December 2024 and of the financial performance and the cash flows of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors.

**DATO’ PHUM ANG KIA**

**TUNG KAI HUNG**

KUALA LUMPUR

24 April 2025

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

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

I, Teh Soon Seong (MIA Membership No: CA 49573) being the Officer primarily responsible for the financial management of Advancecon Holdings Berhad do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

**TEH SOON SEONG**

Subscribed and solemnly declared by the abovenamed Teh Soon Seong at Kuala Lumpur in the Federal Territory, this 24 April 2025.

Before me,

**COMMISSIONER FOR OATHS**

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANCECON HOLDINGS BERHAD

INCORPORATED IN MALAYSIA [Registration No.: 199701011469 (426965-M)]

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Advancecon Holdings Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 101 to 219.

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 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANCECON HOLDINGS BERHAD (CONT'D)

INCORPORATED IN MALAYSIA [Registration No.: 199701011469 (426965-M)]

## Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<b>Revenue Recognition for Construction Services</b>	
<p>Revenue recognition for construction activities, due to the contracting nature of the business, involves significant judgements. This includes the determination of the total budgeted contracts costs and the calculation of percentage of completion which affects the quantum of the revenue to be recognised. In estimating the revenue to be recognised, the management considers past experience and certification by customers and independent third parties, where applicable.</p>	<ul style="list-style-type: none"><li>• Read key contracts and discussed with management to obtain an understanding of the terms and conditions to assess our consideration of whether revenue was appropriately recognised;</li><li>• Tested costs incurred to date to supporting documentation such as contractors' claim certificates;</li><li>• Assessed the management's assumptions in determining the percentage of completion of projects, estimations of revenue and costs, provisions for foreseeable losses, liquidated and ascertained damages.</li><li>• Assessed the reasonableness of percentage of completion by comparing to certification by external parties; and</li><li>• Reviewed estimated profit and costs to complete and adjustments for job costing and potential contract losses</li></ul>
<p>We determined this to be a key audit matter due to the complexity and judgemental nature of the budgeting of contract costs and the determination of revenue recognised.</p>	

## Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

## Responsibilities of the Directors for the Financial Statements

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANCECON HOLDINGS BERHAD (CONT'D)

INCORPORATED IN MALAYSIA [Registration No.: 199701011469 (426965-M)]



## Responsibilities of the Directors for the Financial Statements (Cont'd)

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as 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 has no realistic alternative but to do so.

## Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INCORPORATED IN MALAYSIA [Registration No.: 199701011469 (426965-M)]

## **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 identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **OTHER MATTERS**

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

### **UHY Malaysia PLT**

202406000040 (LLP0041391-LCA) & AF1411  
Chartered Accountants

Kuala Lumpur

24 April 2025

### **TEOH WEI YEIN**

Approved Number: 03655/04/2026 J  
Chartered Accountant

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	4	246,823,932	238,109,738	6,294,519	6,288,165
Investment properties	5	33,785,007	34,345,680	-	-
Intangible assets	6	1,100,000	1,200,000	-	-
Goodwill on consolidation	7	-	-	-	-
Investment in subsidiary companies	8	-	-	126,759,951	95,104,005
Investment in an associate company	9	3,952,135	1,683,166	297,720	225,000
Investment in joint ventures	10	363,340	594,791	-	-
Finance lease receivables	11	-	345,077	-	-
Trade receivables	12	139,462	305,194	-	-
Other receivables	13	3,785,958	7,639,340	-	-
Inventories	14	-	80,657	-	-
Amount due from subsidiary companies	15	-	-	26,944,192	-
		<u>289,949,834</u>	<u>284,303,643</u>	<u>160,296,382</u>	<u>101,617,170</u>
<b>CURRENT ASSETS</b>					
Inventories	14	14,387,084	11,068,242	-	-
Contract assets	16	84,400,211	100,204,271	-	-
Finance lease receivables	11	345,077	411,852	-	-
Trade receivables	12	56,205,684	55,385,503	-	-
Other receivables	13	32,228,156	32,331,296	88,387	79,006
Amounts due from subsidiary companies	15	-	-	19,091,236	32,655,777
Amount due from associated company	17	2,437,408	3,598,218	104,583	32,150
Amount due from related parties	18	51,175	378,992	-	-
Amount due from a joint venture	19	-	2,075,685	-	-
Tax recoverable		6,118,561	6,444,505	127,180	-
Short-term investment	20	252,919	244,015	68,624	66,246
Deposits with licensed banks	21	37,170,252	55,251,425	287,534	279,995
Cash and bank balances		7,923,568	27,037,763	522,392	643,739
		<u>241,520,095</u>	<u>294,431,767</u>	<u>20,289,936</u>	<u>33,756,913</u>
Non-current assets held for sale	22	-	1,652,191	-	-
<b>Total Assets</b>		<u>531,469,929</u>	<u>580,387,601</u>	<u>180,586,318</u>	<u>135,374,083</u>

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 (CONT'D)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>EQUITY</b>					
Share capital	23	133,729,611	133,729,611	133,729,611	133,729,611
Treasury shares	24	(3,376,278)	(3,249,343)	(3,376,278)	(3,249,343)
Reserve	25	3,483,470	-	3,483,470	-
Retained earnings/(accumulated losses)		26,120,560	48,665,774	16,540,007	(12,003,267)
<b>Equity attributable to owners of the Company</b>		<b>159,957,363</b>	<b>179,146,042</b>	<b>150,376,810</b>	<b>118,477,001</b>
Non-controlling interests		(2,011,389)	(2,990,276)	-	-
<b>TOTAL EQUITY</b>		<b>157,945,974</b>	<b>176,155,766</b>	<b>150,376,810</b>	<b>118,477,001</b>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Amount due to a related party	18	26,072,778	-	-	-
Bank borrowings	26	118,220,157	105,221,224	5,534,215	8,811,613
Lease liabilities	27	1,291,506	2,262,017	-	43,515
Deferred tax liabilities	28	4,903,114	5,004,303	-	-
		<b>150,487,555</b>	<b>112,487,544</b>	<b>5,534,215</b>	<b>8,855,128</b>
<b>CURRENT LIABILITIES</b>					
Contract liabilities	16	10,007,593	19,493,564	-	-
Trade payables	29	72,491,368	99,559,705	-	-
Other payables	30	26,130,759	28,237,812	583,719	742,092
Amounts due to subsidiary companies	15	-	-	16,144,483	519,493
Amount due to an associated company	17	82,921	4,867,431	-	-
Amount due to related party	18	-	25,406,791	-	-
Amount due to a joint venture	19	-	1,421,720	-	-
Bank borrowings	26	112,668,351	110,914,795	7,673,621	6,622,414
Lease liabilities	27	1,355,566	1,450,854	43,515	72,267
Tax payable		299,842	391,619	229,955	85,688
		<b>223,036,400</b>	<b>291,744,291</b>	<b>24,675,293</b>	<b>8,041,954</b>
<b>Total Liabilities</b>		<b>373,523,955</b>	<b>404,231,835</b>	<b>30,209,508</b>	<b>16,897,082</b>
<b>Total Equity and Liabilities</b>		<b>531,469,929</b>	<b>580,387,601</b>	<b>180,586,318</b>	<b>135,374,083</b>

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	31	383,228,551	449,765,331	35,037,279	5,410,822
Cost of sales		(371,215,527)	(449,397,465)	-	-
Gross profit		12,013,024	367,866	35,037,279	5,410,822
Other income		12,625,398	15,672,120	1,772,872	2,062,570
Net gain/(loss) on impairment of financial instruments	33	284,292	(10,033,955)	-	-
Selling and distribution expenses		(569,733)	(2,017,292)	-	-
Administrative expenses		(28,185,996)	(23,359,999)	(7,047,082)	(6,885,309)
Other expenses		(7,432,540)	(11,459,780)	(206,966)	(445,753)
Finance costs	32	(11,189,308)	(12,829,216)	(782,874)	(791,036)
Share of results of an equity accounted associate	9	1,706,200	607,445	-	-
Share of results of equity accounted joint ventures	10	-	114,029	-	-
<b>(Loss)/Profit before taxation</b>	33	(20,748,663)	(42,938,782)	28,773,229	(648,706)
Taxation	34	(817,667)	(2,936,332)	(229,955)	(579,156)
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year		(21,566,330)	(45,875,114)	28,543,274	(1,227,862)
<b>(Loss)/Profit attributable to:</b>					
Owner of the Parent		(22,737,059)	(34,292,692)	28,543,274	(1,227,862)
Non-controlling interest		1,170,729	(11,582,422)	-	-
		(21,566,330)	(45,875,114)	28,543,274	(1,227,862)
<b>Total comprehensive (loss)/income attributable to:</b>					
Owner of the Parent		(22,737,059)	(34,292,692)	28,543,274	(1,227,862)
Non-controlling interest		1,170,729	(11,582,422)	-	-
		(21,566,330)	(45,875,114)	28,543,274	(1,227,862)
<b>Loss per share:</b>					
- Basic (sen)	36	(3.95)	(6.20)		
- Diluted (sen)	36	(3.95)	(6.20)		

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Attributable to Owners of the Parent							Total Equity RM
	Non-distributable			Distributable				
	Share Capital RM	Treasury Shares RM	Employee Share Option Reserve RM	Retained Earnings RM	Non- Controlling Interests RM	Total RM		
<b>Group</b>								
<b>At 1 January 2024</b>	133,729,611	(3,249,343)	-	48,665,774	(2,990,276)	179,146,042	176,155,766	
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year	-	-	-	(22,737,059)	1,170,729	(22,737,059)	(21,566,330)	
<b>Transactions with owners:</b>								
Purchase of treasury shares	-	(126,935)	-	-	-	(126,935)	(126,935)	
Recognition of share option expenses	-	-	3,483,470	-	-	3,483,470	3,483,470	
Changes in non-controlling interests	-	-	-	191,845	(191,842)	191,845	3	
<b>At 31 December 2024</b>	133,729,611	(3,376,278)	3,483,470	26,120,560	(2,011,389)	159,957,363	157,945,974	

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Attributable to Owners of the Parent						Total Equity RM
	Non-distributable			Distributable			
	Share Capital RM	Treasury Shares RM	Retained Earnings RM	Total RM	Non- Controlling Interests RM	Total Equity RM	
<b>Group</b>							
<b>At 1 January 2023</b>	114,139,592	(3,249,343)	81,326,531	192,216,780	15,020,286	207,237,066	
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(34,292,692)	(34,292,692)	(11,582,422)	(45,875,114)	
<b>Transactions with owners:</b>							
Issuance of shares pursuant to private placement	23	19,774,819	-	19,774,819	-	19,774,819	
Share issuance expenses	23	(184,800)	-	(184,800)	-	(184,800)	
Changes in non-controlling interests	8	-	1,631,935	1,631,935	(6,428,140)	(4,796,205)	
<b>At 31 December 2023</b>	133,729,611	(3,249,343)	48,665,774	179,146,042	(2,990,276)	176,155,766	



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Non-distributable			Distributable		Total Equity RM
	Share Capital RM	Treasury Shares RM	Employee Share Option Reserve RM	Retained Earnings RM		
<b>Company</b>						
<b>At 1 January 2024</b>	133,729,611	(3,249,343)	-	(12,003,267)		118,477,001
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	28,543,274		28,543,274
<b>Transactions with owners:</b>						
Recognition of share option expenses	-	-	3,483,470	-		3,483,470
Purchases of treasury shares	-	(126,935)	-	-		(126,935)
<b>At 31 December 2024</b>	133,729,611	(3,376,278)	3,483,470	16,540,007		150,376,810

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Note	Non-distributable		Distributable		Total Equity RM
		Share Capital RM	Treasury Shares RM	Retained Earnings RM		
<b>Company</b>						
<b>At 1 January 2023</b>		114,139,592	(3,249,343)	(10,775,405)		100,114,844
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(1,227,862)		(1,227,862)
<b>Transactions with owners:</b>						
Issuance of shares pursuant to private placement	23	19,774,819	-	-		19,774,819
Share issuance expenses	23	(184,800)	-	-		(184,800)
<b>At 31 December 2024</b>		<b>133,729,611</b>	<b>(3,249,343)</b>	<b>(12,003,267)</b>		<b>118,477,001</b>

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



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash Flows From Operating Activities</b>				
Loss before tax	(20,748,663)	(42,938,782)	28,773,229	(648,706)
Adjustments for:-				
Amortisation of intangible assets	100,000	100,000	-	-
Bad debts written off	25,000	3,825	-	-
Depreciation of property, plant and equipment	37,561,455	41,717,438	206,965	445,753
Depreciation of investment properties	560,673	579,036	-	-
Gain on disposals of property, plant and equipment	(3,946,100)	(7,026,942)	-	-
Gain on disposal of non-current asset held for sale	(4,347,809)	(442,430)	-	-
Impairment loss on:				
- trade receivables	492,138	597,704	-	-
- other receivables	104,673	9,791,991	-	-
- contract assets	478,319	-	-	-
Reversal of impairment loss on:				
- trade receivables	(1,350,005)	(267,803)	-	-
- other receivables	-	(98,620)	-	-
- amount due from related parties	(9,417)	-	-	-
Dividend income	(8,904)	(9,694)	(30,002,379)	(2,277)
Equity settled share based payment	3,483,470	-	1,754,804	-
Interest expenses	11,189,308	12,829,216	782,874	791,036
Interest income	(996,864)	(1,829,621)	(1,259,796)	(1,614,421)
Fair value (gain)/loss on receivables	(315,292)	320,817	-	-
Gain on termination of lease contracts	(2,027)	(6,217)	-	-
Property, plant and equipment written off	35,340	142,952	1	-
Share of results of an equity accounted associate	(1,706,200)	(607,445)	-	-
Share of results of an equity accounted joint ventures	-	(114,029)	-	-
Operating profit/(loss) before working capital changes	20,599,095	12,741,396	255,698	(1,028,615)

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash Flows From Operating Activities</b>					
Changes in working capital:					
Inventories		(3,238,185)	1,976,626	-	-
Contract assets/liabilities		5,839,770	8,783,289	-	-
Trade and other receivables		8,489,106	16,556,999	(9,381)	(14,886)
Trade and other payables		(27,566,434)	6,770,379	(158,373)	134,713
Amounts due from subsidiary companies		-	-	1,549,382	-
Amounts due from associate companies		1,874,948	11,209,441	30,900	(30,900)
Amounts due from related parties		337,234	-	-	-
Amounts due from joint ventures		(1,421,720)	(1,127,641)	-	-
		(15,685,281)	44,169,093	1,412,528	88,927
Cash generated from/(used in) operations		4,913,814	56,910,489	1,668,226	(939,688)
Interest paid		(12,251,797)	(11,766,727)	(782,874)	(791,036)
Tax refunded		1,344,772	1,159,203	-	4,776
Tax paid		(2,029,461)	(3,478,505)	(212,868)	(353,822)
		(12,936,486)	(14,086,029)	(995,742)	(1,140,082)
<b>Net cash (used in)/from operating activities</b>		<b>(8,022,672)</b>	<b>42,824,460</b>	<b>672,484</b>	<b>(2,079,770)</b>
<b>Cash Flows From Investing Activities</b>					
Investment in subsidiary		-	-	(30,000,000)	(4,000,000)
Investment in an associate		(562,769)	-	-	-
Interest received		996,864	1,829,621	1,259,796	12,244
Repayment from finance lease receivables		411,852	360,950	-	-
Advance to subsidiary companies		-	-	(15,445,563)	(14,809,745)
(Advance to)/Repayment from an associate		(656,715)	262,528	(103,333)	(1,004)
Advance to from related parties		-	(2,833,569)	-	-
Proceeds from disposal of joint venture		231,451	-	-	-
Repayment from joint venture		2,075,685	38,257	-	-
Additional investment in a subsidiary company	8(e)	-	(4,796,205)	-	-

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash Flows From Investing Activities (Cont'd)</b>				
Proceeds from disposals of property, plant and equipment	6,418,303	12,518,076	-	-
Proceeds from disposals of non-current asset held for sale	6,000,000	42,381,822	-	-
Purchase of property, plant and equipment	(18,003,161)	(89,640,981)	(213,320)	-
Dividend received:				
-subsidiary	-	-	30,000,000	-
-short-term investment	8,904	9,694	2,379	2,277
Changes in deposits pledged with licensed banks	18,081,173	9,080,704	(7,539)	(6,598)
<b>Net cash from/(used in) investing activities</b>	<b>15,001,587</b>	<b>(30,789,103)</b>	<b>(14,507,580)</b>	<b>(18,802,826)</b>
<b>Cash Flows From Financing Activities</b>				
Repayment of lease liabilities	(1,399,916)	(1,184,497)	(72,267)	(69,425)
Proceeds from issuance of shares	-	19,774,819	-	19,774,819
Share issue expenses	-	(184,800)	-	(184,800)
Repayment of hire purchase	(14,414,952)	(21,126,417)	-	-
Advances from related parties	1,728,476	-	-	-
Advances from/(Repayment to) subsidiary companies	-	-	16,141,520	(11,921)
Treasury shares acquired	(126,935)	-	(126,935)	-
(Repayment to)/Advances from an associate	(4,841,933)	4,867,431	-	-
Net changes of term loans	(12,617,345)	39,358,800	(3,263,773)	(3,253,904)
Net changes of bankers' acceptance	(8,621,357)	(4,678,493)	-	-
Net changes of bank factoring	2,354,589	(29,984,547)	-	-
Net changes in invoice financing, trust receipts and revolving credit	9,383,417	(16,188,132)	-	-
<b>Net cash (used in)/from financing activities</b>	<b>(28,855,856)</b>	<b>(9,345,836)</b>	<b>12,678,545</b>	<b>16,254,769</b>
<b>Net changes in cash and cash equivalents</b>	<b>(21,577,041)</b>	<b>2,689,521</b>	<b>(1,156,551)</b>	<b>(4,627,827)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>15,488,569</b>	<b>12,799,048</b>	<b>(2,651,763)</b>	<b>1,976,064</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>(6,088,472)</b>	<b>15,488,569</b>	<b>(3,808,314)</b>	<b>(2,651,763)</b>

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Cash and cash equivalents at the end of the financial year comprises:</b>				
Short-term investment	252,919	244,015	68,624	66,246
Deposits with licensed banks	37,170,252	55,251,425	287,534	279,995
Cash and bank balances	7,923,568	27,037,763	522,392	643,739
Bank overdrafts	(14,264,959)	(11,793,209)	(4,399,330)	(3,361,748)
	31,081,780	70,739,994	(3,520,780)	(2,371,768)
Less: Deposits pledged with licensed banks	(37,170,252)	(55,251,425)	(287,534)	(279,995)
	(6,088,472)	15,488,569	(3,808,314)	(2,651,763)

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



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal place of business is located at No.16, 18 & 20, Jalan Pekaka 8/3, Seksyen 8, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company are located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The Company is principally engaged in the business of providing management services, whilst the principal activities of the Group, comprising the Company and its subsidiaries, which involved in construction and support services, property investments, green energy, property development and quarry operations. Details of the principal activities of the subsidiary companies are shown in Note 8. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors passed on 24 April 2025.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRSs Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

### Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the above amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 2. BASIS OF PREPARATION (CONT'D)

### (a) Statement of compliance (Cont'd)

#### Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs issued by the MASB but are not yet effective for the Group and for the Company:

		<b>Effective dates for financial periods beginning on or after</b>
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards-Volume 11	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the new and amendments to MFRSs, if applicable, when they become effective.

The initial application of amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

### (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2. BASIS OF PREPARATION (CONT'D)

### (c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

##### Satisfaction of performance obligation in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

##### Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2. BASIS OF PREPARATION (CONT'D)

### (c) Significant accounting judgements, estimates and assumptions (Cont'd)

#### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

#### Impairment of investment in subsidiaries, property, plant and equipment and investment properties

The Group determines whether an item of its investment in subsidiaries, property, plant and equipment and investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of investment in subsidiaries, property, plant and equipment and investment properties as at the reporting date are disclosed in Note 4, 5 and 8 respectively.

#### Impairment of trade receivables and contract assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Note 12 and 16 respectively.

#### Revenue recognition for construction services

The Company recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 16.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 2. BASIS OF PREPARATION (CONT'D)

### (c) Significant accounting judgements, estimates and assumptions (Cont'd)

#### Key sources of estimation uncertainty (Cont'd)

##### Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2024, the Group has tax recoverable of RM6,118,561 (2023: RM6,444,505) and tax payable of RM299,842 (2023: RM391,619) respectively. While, the Company has tax recoverable of RM68,624 (2023: RM66,246) and tax payable of RM229,955 (2023: RM85,688).

## 3. MATERIAL ACCOUNTING POLICIES

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

### (a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (Cont'd)

#### (i) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

#### (ii) Non-controlling interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### (iii) Changes in ownership interests in subsidiaries without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

#### (iv) Loss of control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (Cont'd)

#### (iv) Loss of control (Cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### (b) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associate and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associate and joint ventures.

### (c) Functional and presentation currency

#### (i) Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

#### (ii) Foreign currency transactions and balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (d) Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

#### (i) Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

##### *Debt instruments*

#### (a) Amortised cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (d) Financial instruments (Cont'd)

#### (i) Financial assets (Cont'd)

##### *Debt instruments (Cont'd)*

#### (b) Fair value through other comprehensive income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

#### (c) Fair value through profit or loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

##### *Equity instruments*

All equity investments are subsequent measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

#### (ii) Financial liabilities

#### (a) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (d) Financial instruments (Cont'd)

#### (ii) Financial liabilities (Cont'd)

##### (b) Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

#### (iii) Equity instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

##### (a) Ordinary shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

##### (b) Treasury shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## **3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

### **(d) Financial instruments (Cont'd)**

#### **(iv) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### **(v) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

### **(e) Investment in subsidiaries**

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (f) Investment in an associate

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investment in an associate is stated at cost in the statement of financial position of the Company, and is reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2024. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

### (g) Property, plant and equipment

All items of property, plant and equipment, are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (g) Property, plant and equipment (Cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the Company, and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

#### Owned assets

Buildings	2% -17%
Furniture, fittings and office equipment	10% -20%
Plant, machinery and equipment	10% - 33%
Motor vehicles	12% -15%
Renovation	15% - 20%

#### Right-of-use assets

Leasehold land	Over the lease period of 50 to 99 years
Leased land	33%-50%
Premises	1% - 50%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as changes in estimate.

Capital work-in-progress included in property is not depreciated as this asset is not yet available for use. Freehold land is not depreciated.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (h) Investment properties

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are as follows:-

Buildings	2%
Leasehold land	Over the lease period of 85 to 92 years

Freehold land is stated at cost less impairment loss, if any, and is not depreciated.

Investment properties under construction are not depreciated as these assets are not yet available for use.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

### (i) Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination are their fair values as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (i) Intangible assets (Cont'd)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

### (j) Quarry and mining production stripping costs

Production stripping costs incurred in the removal of waste materials (overburden) on quarry and mining sites which provide improved access to the quarry and mining body but do not meet the criteria for recognition as a non-current stripping activity asset are recognised in profit or loss as part of quarry and mining operating costs.

### (k) Inventories

Inventories are stated at the lower of cost and net realisable value.

#### (i) Property under development and completed property

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs. The asset is subsequently recognised as expenses in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

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

#### (i) Other inventories

Inventories representing stockpile of quarry products, raw materials and spare parts are valued at the lower of cost and net realisable value. Cost of stockpile of quarry products is determined on the weighted average cost basis and the cost includes the cost of materials, royalties, direct labour and an appropriate proportion of production overheads. Cost of spare parts and raw materials is determined on first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (l) Leases

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The Group presents right-of-use assets in property, plant and equipment, and investment properties, and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment, and investment properties.

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

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

### (m) Contract asset and contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance with MFRS 9.

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (n) Contract asset

Contract costs are recognised as an asset when the following criteria are met:-

- (i) In relation to incremental costs of obtaining a contract, the Group recognises the costs as an asset if the Group expects to recover those costs.
- (ii) In relation to costs to fulfil a contract, the Group recognises the contract costs as an asset if (i) they relate directly to a contract or to an anticipated contract that the Group can specifically identify; (ii) when the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (iii) the costs are expected to be recovered.

These assets are initially measured at cost and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration expected to be received less the remaining costs expected to be incurred. A reversal of impairment loss is recognised in profit or loss when the impairment conditions no longer exist or have improved. The increased carrying amount after reversal of impairment loss shall not exceed the amount that would have been determined (net of amortisation) if no impairment loss had been recognised previously.

### (o) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

### (p) Non-current asset held for sale

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (or non-current assets of the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

### (q) Impairment

- (i) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (q) Impairment (Cont'd)

#### (i) Impairment of financial assets (Cont'd)

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

#### (ii) Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (q) Impairment (Cont'd)

#### (ii) Impairment of non-financial assets (Cont'd)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### (r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

### (s) Employee benefits

#### (i) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in the construction costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

#### (ii) Defined contribution plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the construction costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

#### (iii) Share-based payment transactions

The Group operates an equity-settled share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Company (known as "share options").

At grant date, the fair value of the share options is recognised as an expense on a straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding credit to employee share option reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of the share options that are expected to vest. Service and non-market performance conditions attached to the transaction are not taken into account in determining the fair value.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (s) Employee benefits (Cont'd)

#### (iii) Share-based payment transactions (Cont'd)

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the employee share option reserve.

Upon expiry of the share option, the employee share option reserve is transferred to retained profits.

When the share options are exercised, the employee share option reserve is transferred to share capital if new ordinary shares are issued.

### (t) Income tax

#### (i) Current tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

#### (ii) Deferred tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (t) Income tax (Cont'd)

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

### (u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

### (v) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

### (w) Operating segments

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

### (x) Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

### (z) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions and leasing transactions.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability 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 transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

### (aa) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (aa) Revenue from contracts with customers (Cont'd)

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

#### (i) Construction services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

#### (ii) Hiring of machinery

Revenue from providing hiring of machinery services is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

#### (iii) Sale of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance.

Revenue from these sales is recognised based on the price specified in the contract and net of returns.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (aa) Revenue from contracts with customers (Cont'd)

#### (iv) Rendering of day work services

Revenue from providing day work services is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

#### (v) Rental income from investment properties

Rental income from investment properties is accounted for on a straight-line method over the lease term.

#### (vi) Design, construct and installation services

Revenue from design, construct and installation services is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of costs incurred for work performed to date over the estimated total costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that is highly probable that a significant reversal will not occur.

A receivable is recognised when the services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the services rendered exceed the payment received, a contract asset is recognised. If the payments received exceed the services rendered, a contract liability is recognised.

#### (vii) Sale of electricity generated from renewable energy

Revenue from the sale of energy is recognised upon invoiced value of electricity generated, net of billing adjustments (whichever applicable) because the customers receive and use the benefits simultaneously.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

#### (viii) Sale of quarry products and premix from quarry operations

Revenue from sales of quarry products and premix from quarry operations is recognised at a point in time when the goods are delivered and accepted by the customers. Billings are rendered on twice a month basis.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## **3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

### **(aa) Revenue from contracts with customers (Cont'd)**

#### **(ix) Sub-contract works income**

The Group operates bauxite mines and quarries for mines and quarry owners and satisfies its performance obligations when the requisite bauxite and quarry products have been produced and ready for use or sales by the owners. The Group's customary obligations under such contracts include provision of the necessary plant and equipment and labour to operate the mines and quarries. Revenue from such services is recognised over time by reference to the amount determined based on contracted rates that the Group has the right to invoice the customers, which correspond directly with the value of services transferred to the customers for the Group's performance to-date. Billings are rendered on a monthly basis.

#### **(x) Washing bay income**

Revenue from washing bay services are recognised at a point in time where the performance obligations are satisfied being when the services are rendered and accepted by the customer. Billings are rendered when services are rendered.

#### **(xi) Stevedore income**

Revenue from stevedore services are recognised at a point in time where the performance obligations are satisfied being when the services are rendered and accepted by the customer. Billings are rendered on a monthly basis.

### **(bb) Revenue from other sources and other operating income**

#### **(i) Interest income**

Interest income is recognised on an accrual basis using the effective interest method.

#### **(ii) Dividend income**

Dividend income from investment is recognised when the right to receive dividend payment is established.

Dividend income from short-term investment is recognised on an accrual basis using the effective interest method.

#### **(iii) Management fee**

Management fee from providing managing services is recognised in the period in which the services are rendered.

#### **(iv) Rental income**

Rental income is recognised on an accrual basis.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (cc) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

#### (i) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, the obligations for the liabilities, relating to the arrangement. The Group accounts for each of its interest in the joint operations the assets, liabilities, revenue and expenses (including its share of those held or incurred jointly with the other investors) in accordance with the applicable accounting standards.

#### (ii) Joint venture

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to end of reporting date. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## **3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

### **(cc) Joint arrangements (Cont'd)**

#### **(ii) Joint venture (Cont'd)**

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 4. PROPERTY, PLANT AND EQUIPMENT

Group	At cost									
	At 1 January RM	Additions RM	Termination of lease contracts RM	Lease modification contracts RM	Expiration of lease contracts RM	Disposals RM	Written off RM	Reclassifi- cation RM	Total RM	
<b>2024</b>										
<u>Owned Assets</u>										
Freehold land	3,360,608	-	-	-	-	-	-	-	3,360,608	
Buildings	5,192,916	72,936	-	-	-	-	-	(13,860)	5,251,992	
Furniture, fittings and office equipment	7,704,706	502,181	-	-	-	(20,201)	-	626,423	8,813,109	
Plant, machinery and equipment	439,101,556	33,943,759	-	-	-	(35,887,191)	(3,422,801)	228,600	433,963,923	
Motor vehicles	75,677,723	570,127	-	-	-	(991,926)	(283,000)	-	74,972,924	
Renovation	3,139,882	135,648	-	-	-	-	-	666,563	3,942,093	
Solar Farm	-	-	-	-	-	-	-	96,875,675	96,875,675	
Capital work-in- progress	82,930,369	17,365,945	-	-	-	-	-	(99,371,025)	925,289	
<u>Right-of-use Assets</u>										
Leasehold land	35,549,867	-	-	-	-	-	-	-	35,549,867	
Leased land	1,510,813	-	(50,177)	-	(60,050)	-	-	-	1,400,586	
Workshop	-	-	-	-	-	-	-	987,624	987,624	
Premises	5,938,407	163,123	(241,665)	224,175	(87,031)	-	-	-	5,997,009	
	660,106,847	52,753,719	(291,842)	224,175	(147,081)	(36,879,117)	(3,726,002)	-	672,040,699	



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Accumulated depreciation								Total RM
	At 1 January RM	Charge for the financial year RM	Termination of lease contracts RM	Expiration of lease contracts RM	Disposals RM	Written off RM	Reclassification RM	RM	
<b>2024</b>									
<u>Owned Assets</u>									
Buildings	2,274,650	149,694	-	-	-	-	(13,853)	2,410,491	
Furniture, fittings and office equipment	6,427,449	405,844	-	-	(17,291)	616,732	7,432,734		
Plant, machinery and equipment	338,826,172	29,207,121	-	-	(29,381,945)	(3,422,798)	229,037	335,457,587	
Motor vehicles	62,175,842	4,670,485	-	-	(881,422)	(250,573)	-	65,714,332	
Renovation	2,316,311	535,132	-	-	-	-	(831,916)	2,019,527	
Solar Farm	-	645,838	-	-	-	-	-	645,838	
<u>Right-of-use Assets</u>									
Leasehold land	2,913,991	437,348	-	-	-	-	-	3,351,339	
Leased land	380,586	569,990	(50,178)	(60,047)	-	-	-	840,351	
Workshop	-	79,010	-	-	-	-	-	79,010	
Premises	3,321,500	860,993	(190,509)	(87,034)	-	-	-	3,904,950	
	418,636,501	37,561,455	(240,687)	(147,081)	(30,263,367)	(3,690,662)	-	421,856,159	

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Accumulated impairment losses		Carrying amount	
	At 1 January/ 31 December RM	At 31 December RM	At 1 January/ 31 December RM	At 31 December RM
<b>Group</b>				
<b>2024</b>				
<u>Owned Assets</u>				
Freehold land	3,360,608	-	-	-
Buildings	-	2,841,501	2,841,501	2,841,501
Furniture, fittings and office equipment	-	1,380,375	1,380,375	1,380,375
Plant, machinery and equipment	-	98,506,336	98,506,336	98,506,336
Motor vehicles	-	9,258,592	9,258,592	9,258,592
Renovation	-	1,922,566	1,922,566	1,922,566
Solar Farm	-	96,229,837	96,229,837	96,229,837
Capital work-in-progress	-	925,289	925,289	925,289
<u>Right-of-use Assets</u>				
Leasehold land	-	32,198,528	32,198,528	32,198,528
Leased land	-	560,235	560,235	560,235
Workshop	-	908,614	908,614	908,614
Premises	-	2,092,059	2,092,059	2,092,059
	<u>3,360,608</u>	<u>246,823,932</u>	<u>246,823,932</u>	<u>246,823,932</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	At cost										Total RM	
	1 January RM	At sales (Note 22) RM	Transfer to held for sales RM	Additions RM	Termination of lease contracts RM	Expiration of lease contracts RM	Disposals RM	Written off RM	Reclassification RM	Disposals RM		
<b>2023</b>												
<u>Owned Assets</u>												
Freehold land	3,360,608	-	-	-	-	-	-	-	-	-	-	3,360,608
Buildings	5,143,836	-	49,080	-	-	-	-	-	-	-	-	5,192,916
Furniture, fittings and office equipment	7,123,522	-	346,478	-	-	-	(16,668)	(2,050)	253,424	-	-	7,704,706
Plant, machinery and equipment	484,630,005	(5,181,000)	8,714,184	-	-	-	(45,474,955)	(3,787,908)	201,230	439,101,556	-	439,101,556
Motor vehicles	75,405,984	-	2,549,074	-	-	-	(2,042,335)	(235,000)	-	-	-	75,677,723
Renovation	2,146,249	-	4,240	-	-	-	-	-	989,393	3,139,882	-	3,139,882
Capital work- in-progress	2,691,208	-	81,698,725	-	-	-	(15,517)	(1,444,047)	(1,444,047)	82,930,369	-	82,930,369
<u>Right-of-use Assets</u>												
Leasehold land	35,549,867	-	-	-	-	-	-	-	-	-	-	35,549,867
Leased land	185,124	-	1,400,586	(74,897)	-	-	-	-	-	-	-	1,510,813
Premises	5,600,423	-	843,759	(380,282)	(125,493)	-	-	-	-	-	-	5,938,407
	621,836,826	(5,181,000)	95,606,126	(455,179)	(125,493)	(47,533,958)	(4,040,475)	-	-	660,106,847	-	660,106,847

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Accumulated depreciation							Total RM
	At 1 January RM	Transfer to held for sales (Note 22) RM	Charge for the financial year RM	Termination of lease contracts RM	Expiration of lease contracts RM	Disposals RM	Written off RM	
<b>2023</b>								
<u>Owned Assets</u>								
Buildings	2,117,408	-	157,242	-	-	-	-	2,274,650
Furniture, fittings and office equipment	5,946,780	-	496,180	-	-	(13,462)	(2,049)	6,427,449
Plant, machinery and equipment	353,823,901	(3,528,809)	32,472,448	-	-	(40,280,892)	(3,660,476)	338,826,172
Motor vehicles	577,174,919	-	6,441,819	-	-	(1,748,470)	(234,998)	62,175,842
Renovation	1,842,516	-	473,795	-	-	-	-	2,316,311
<u>Right-of-use Assets</u>								
Leasehold land	2,467,461	-	446,530	-	-	-	-	2,913,991
Leased land	145,297	-	310,186	(74,897)	-	-	-	380,586
Premises	2,753,305	-	919,238	(225,550)	(125,493)	-	-	3,321,500
	426,814,159	(3,528,809)	41,717,438	(300,447)	(125,493)	(42,042,824)	(3,897,523)	418,636,501



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Accumulated impairment losses		Carrying amount
	At 1 January/ 31 December RM	At 31 December RM	
<b>Group</b>			
<b>2023</b>			
<u>Owned Assets</u>			
Freehold land	3,360,608	-	
Buildings	-	2,918,266	
Furniture, fittings and office equipment	-	1,277,257	
Plant, machinery and equipment	-	100,275,384	
Motor vehicles	-	13,501,881	
Renovation	-	823,571	
Capital work-in-progress	-	82,930,369	
<u>Right-of-use Assets</u>			
Leasehold land	-	32,635,876	
Leased land	-	1,130,227	
Premises	-	2,616,907	
	<u>3,360,608</u>	<u>238,109,738</u>	

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2024 Cost	Owned assets					Right-of-use Assets				Total RM
	Buildings equipment RM	Furniture, fittings and office equipment RM	Plant, and machinery and equipment RM	Motor vehicles RM	Renovation RM	Leasehold land RM	Premises RM			
At 1 January/31 December	3,265,939	629,154	107,199	11,190	1,042,837	3,684,524	214,036			8,954,879
Additions	-	164,340	-	-	48,980	-	-	-	-	213,320
Written Off	-	(4,320)	-	-	-	-	-	-	-	(4,320)
At 31 December	3,265,939	789,174	107,199	11,190	1,091,817	3,684,524	214,036			9,163,879
<b>Accumulated depreciation</b>										
At 1 January	554,506	557,656	107,199	11,187	1,039,778	301,261	95,127			2,666,714
Charge for the financial year	65,319	22,477	-	-	7,033	40,790	71,346			206,965
Written Off	-	(4,319)	-	-	-	-	-			(4,319)
At 31 December	619,825	575,814	107,199	11,187	1,046,811	342,051	166,473			2,869,360
<b>Carrying amount</b>										
At 31 December	2,646,114	213,360	-	3	45,006	3,342,473	47,563			6,294,519



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2023 Cost	Owned assets				Right-of-use Assets			Total RM
	Buildings equipment RM	Furniture, fittings and office equipment RM	Plant, and machinery and equipment RM	Motor vehicles RM	Renovation RM	Leasehold land RM	Premises RM	
At 1 January/31 December	3,265,939	629,154	107,199	11,190	1,042,837	3,684,524	214,036	8,954,879
<b>Accumulated depreciation</b>								
At 1 January	489,187	478,000	107,199	11,187	851,135	260,471	23,782	2,220,961
Charge for the financial year	65,319	79,656	-	-	188,643	40,790	71,345	445,753
At 31 December	554,506	557,656	107,199	11,187	1,039,778	301,261	95,127	2,666,714
<b>Carrying amount</b>								
At 31 December	2,711,433	71,498	-	3	3,059	3,383,263	118,909	6,288,165

# NOTES TO THE FINANCIAL STATEMENTS

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## 4. Property, Plant and Equipment (Cont'd)

### (a) Purchase of property, plant and equipment

The aggregate cost for the property, plant and equipment of the Group and the Company during the financial year under finance lease and cash payments are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Aggregate costs	52,753,719	95,606,126	213,320	-
Less:				
- Term loan	(11,811,446)	-	-	-
- Finance lease financing	(15,935,988)	(3,720,800)	-	-
- New lease (Note 27)	(163,124)	(2,244,345)	-	-
- Other payables	(6,840,000)	-	-	-
Cash payments	18,003,161	89,640,981	213,320	-

### (b) The carrying amounts of the plant and equipment held under hire purchase arrangements are as follows:-

	Group	
	2024 RM	2023 RM
Plant, machinery and equipment	43,197,091	47,801,322
Motor vehicles	5,024,104	6,472,939
	48,221,195	54,274,261

### (c) The carrying amounts of the following property, plant and equipment of the Group and of the Company which have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 26 are as follows:-

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Buildings	2,646,114	2,711,433	2,646,114	2,711,433
Leasehold land	21,488,175	21,815,408	3,342,473	3,383,263
Plant, machinery, and equipment and equipment	11,725,200	-	-	-
Solar Farm	96,229,837	79,563,995	-	-
	132,089,326	104,090,836	5,988,587	6,094,696

# NOTES TO THE FINANCIAL STATEMENTS

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## 4. Property, Plant and Equipment (Cont'd)

(d) The Group leases certain assets of which the leasing activities are summarised below:-

- (i) Leasehold land      The Group entered into 5 non-cancellable operating lease agreements for the use of land. The leases are for periods between 51 to 99 years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.
- (ii) Leased land      The Group leases 4 pieces of vacant land as a workshop for 2 to 3 years, with an option to renew the lease after that date. The Group is allowed to sublease the land with the consent of the lessor.
- (iii) Premises      The Group leases 2 office building and 41 units of house accommodation for 2 to 81 years, with an option to renew the lease after that date. The Group is allowed to sublease the office building.

## 5. INVESTMENT PROPERTIES

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
<b>Group</b>				
<b>2024</b>				
<b>Cost</b>				
At 1 January/31 December	1,926,680	6,566,121	29,549,259	38,042,060
<b>Accumulated depreciation</b>				
At 1 January	-	642,614	3,053,766	3,696,380
Charge for the financial year	-	76,351	484,322	560,673
At 31 December	-	718,965	3,538,088	4,257,053
<b>Carrying amount</b>				
At 31 December	1,926,680	5,847,156	26,011,171	33,785,007
Fair value of investment properties	2,247,362	11,779,520	33,456,024	47,482,906

# NOTES TO THE FINANCIAL STATEMENTS

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## 5. INVESTMENT PROPERTIES (CONT'D)

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
<b>Group</b>				
<b>2023</b>				
<b>Cost</b>				
At 1 January/31 December	1,926,680	6,566,121	29,549,259	38,042,060
<b>Accumulated depreciation</b>				
At 1 January	-	566,264	2,551,080	3,117,344
Charge for the financial year	-	76,350	502,686	579,036
At 31 December	-	642,614	3,053,766	3,696,380
<b>Carrying amount</b>				
At 31 December	1,926,680	5,923,507	26,495,493	34,345,680
Fair value of investment properties	2,041,306	9,817,487	36,437,057	48,295,850

### (a) Investment properties under leases

Certain investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 3 years and an option that is exercisable by the customers to extend their leases for an average of 2 years.

As of the reporting date, the undiscounted operating lease payments receivable are as follows:-

	Group	
	2024 RM	2023 RM
Within 1 year	475,500	281,500
Between 1 to 2 years	447,200	29,700
	<u>922,700</u>	<u>311,200</u>

### (b) Fair value basis of investment properties

The fair values of the completed investment properties of the Group as at the reporting date are estimated at RM47,482,906 (2023: RM48,295,850) based on directors' assessment of the current prices in an active market for the respective properties within each vicinity.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 5. INVESTMENT PROPERTIES (CONT'D)

- (c) Investment properties of the Group with a total carrying amount of RM32,568,253 (2023: RM33,098,814) have been pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 26.
- (d) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2024 RM	2023 RM
Rental income	531,139	387,625
Direct operating expenses:		
- Income generating investment properties	167,816	149,914
- Non-income generating investment properties	123,856	116,802

## 6. INTANGIBLE ASSETS

	Quarry Concession RM	Quarry Related Projects RM	Quarry Rights RM	Total RM
<b>Group</b>				
<b>2024</b>				
<b>Cost</b>				
At 1 January/31 December	8,528,994	915,677	2,000,000	11,444,671
<b>Accumulated amortisation</b>				
At 1 January	344,456	507,952	800,000	1,652,408
Charge for the financial year	-	-	100,000	100,000
At 31 December	344,456	507,952	800,000	1,752,408
<b>Accumulated impairment losses</b>				
At 1 January/31 December	8,184,538	407,725	-	8,592,263
<b>Carrying amount</b>				
At 31 December	-	-	1,100,000	1,100,000

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 6. INTANGIBLE ASSETS (CONT'D)

	Quarry Concession RM	Quarry Related Projects RM	Quarry Rights RM	Total RM
<b>Group</b>				
<b>2023</b>				
<b>Cost</b>				
At 1 January/31 December	8,528,994	915,677	2,000,000	11,444,671
<b>Accumulated amortisation</b>				
At 1 January	344,456	507,952	700,000	1,552,408
Charge for the financial year	-	-	100,000	100,000
At 31 December	344,456	507,952	800,000	1,652,408
<b>Accumulated impairment losses</b>				
At 1 January/31 December	8,184,538	407,725	-	8,592,263
<b>Carrying amount</b>				
At 31 December	-	-	1,200,000	1,200,000

The quarry rights with total carrying amount of RM1,100,000 (2023: RM1,200,000) represents the exclusive rights to operate a quarry for a contracted period of 20 years. The cost of the quarrying right is amortised on a straight line basis to the Group's cost of sales in profit or loss over the contracted period of 20 years.

## 7. GOODWILL ON CONSOLIDATION

	Goodwill on Consolidation RM
<b>Group</b>	
<b>2024</b>	
<b>Cost</b>	
At 1 January/31 December	21,134,203
<b>Accumulated impairment losses</b>	
At 1 January/31 December	21,134,203
<b>Carrying amount</b>	
At 31 December	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 7. GOODWILL ON CONSOLIDATION (CONT'D)

	Goodwill on Consolidation RM
<b>Group</b>	
<b>2023</b>	
<b>Cost</b>	
At 1 January/31 December	21,134,203
<b>Accumulated impairment losses</b>	
At 1 January/31 December	21,134,203
<b>Carrying amount</b>	
At 31 December	-

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2024 RM	2023 RM
<b>In Malaysia</b>		
Unquoted shares, at cost	40,725,005	40,725,005
Redeemable convertible preference shares, at cost	109,829,000	79,829,000
Share options granted to employee of subsidiaries	1,655,946	-
	152,209,951	120,554,005
Less: Accumulated impairment loss	(25,450,000)	(25,450,000)
	126,759,951	95,104,005

Movement in the allowance for impairment losses of investments in subsidiary companies are as follows:

	Company	
	2024 RM	2023 RM
At 1 January/31 December	25,450,000	25,450,000

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows:

Name of Company	Place of business/ country of incorporation	Effective interest		Principal Activities
		2024 %	2023 %	
Advancecon Infra Sdn. Bhd.	Malaysia	100	100	Providing earthworks and civil engineering services and sales of construction materials.
Advancecon Machinery Sdn. Bhd.	Malaysia	100	100	Providing earth-moving machineries for hire and transportation agent.
Advancecon Solar Sdn. Bhd.	Malaysia	100	100	Carry on development and/or operation of power generation from renewable energy, solar and other renewable energy projects.
Advancecon Properties Sdn. Bhd.	Malaysia	100	100	Property investment.
Advancecon Ventures Sdn. Bhd.	Malaysia	100	100	Investment holding and contracting in all types of construction works and other related businesses.
Spring Energy Resources Berhad	Malaysia	51	51	Investment holding.
<i>Held through Advancecon Solar Sdn. Bhd.:</i>				
LSS TPG Sdn. Bhd.	Malaysia	100	100	Carry on development and/or operation of power generation from renewable energy, solar and other renewable energy projects.
<i>Held through Advancecon Ventures Sdn. Bhd.:</i>				
CLQ SilverValley Sdn. Bhd.	Malaysia	70	100	Providing business related to dormitory accommodation services and other related businesses.
Advancecon Development Sdn. Bhd.	Malaysia	100	100	Property investment, development and construction.
<i>Held through Spring Energy Resources Berhad:</i>				
Spring Energy Sdn. Bhd.	Malaysia	100	100	Quarry operator, sale of quarry and premix products, and contractor in civil engineering works.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Place of business/ country of incorporation	Effective interest		Principal Activities
		2023 %	2022 %	
<i>Held through Spring Energy Sdn. Bhd.:</i>				
SE Premix Sdn. Bhd.	Malaysia	100	100	Supply of labour and premix production of premix products.
Semenyih Quarry Sdn. Bhd.	Malaysia	100	100	Quarry operator.
SE Satu Sdn. Bhd.	Malaysia	100	100	Bauxite mining operator and contractor in civil engineering work.
SE Quarry Sdn. Bhd.	Malaysia	55	55	Quarry operator.
Spring Energy Construction Sdn. Bhd.	Malaysia	100	100	Contractor in civil engineering.
Spring Energy Mining Sdn. Bhd.	Malaysia	100	100	Investment holding. (presently dormant)
Bukit Tinggi Infra Sdn. Bhd.	Malaysia	51	51	Quarry operator. (presently dormant)
Semenyih Rock Sdn. Bhd.	Malaysia	60	60	Quarry operator.
<i>Held through SE Satu Sdn. Bhd.:</i>				
SE Sinaran Sdn. Bhd.	Malaysia	80	80	Provision of port services including forwarding and stevedoring of cargo onto vessels.

# NOTES TO THE FINANCIAL STATEMENTS

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## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

### (a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

Name of Company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2024	2023	2024	2023	2024	2023
	%	%	RM	RM	RM	RM
Spring Energy Resources Berhad	49	49	1,279,260	(18,010,562)	(1,711,016)	(2,990,276)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.

### (i) Summarised statements of financial position

	Spring Energy Resources Berhad	
	2024 RM	2023 RM
Non-current assets	77,442,303	71,753,252
Current assets	67,365,578	69,185,617
Non-current assets held for sale	-	1,652,191
Non-current liabilities	(61,788,451)	(9,212,617)
Current liabilities	(87,648,419)	(141,544,750)
Net (liabilities)/assets	(4,628,989)	(8,166,307)

# NOTES TO THE FINANCIAL STATEMENTS

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## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

### (a) Material partly-owned subsidiary companies (Cont'd)

#### (ii) Summarised statements of profit or loss and other comprehensive income

	Spring Energy Resources Berhad	
	2024 RM	2023 RM
Revenue	203,651,624	198,605,133
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for financial year	3,533,459	(22,045,735)

#### (iii) Summarised statements of cash flows

	Spring Energy Resources Berhad	
	2024 RM	2023 RM
Net cash (used in)/from operating activities	18,743,499	12,886,698
Net cash from investing activities	(1,877,520)	38,673,035
Net cash used in financing activities	(16,625,061)	(52,032,850)
Net changes in cash and cash equivalents	240,918	(473,117)

### (b) Changes of equity interest in subsidiary companies

During the financial year, the subsidiary of the Company, Advancecon Ventures Sdn. Bhd. ("AVSB"), disposed 3 ordinary shares in total cash consideration of RM3 representing 30% of total issued and paid-up share capital in CLQ Silvervalley Sdn. Bhd. ("CSSB"). The Group's effective equity interest in CSSB had changed from 100% to 70%.

The effect of changes in the equity interest in CSSB that is attributable to owners of the Company:

	Group 2024 RM
Carrying amount of non-controlling interest acquired	(191,845)
Consideration received from non-controlling interest	3
Increase in parent's equity	(191,842)

# NOTES TO THE FINANCIAL STATEMENTS

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## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

### (c) Incorporation of a subsidiary company

#### In the previous financial year

On 19 October 2023, Advancecon Ventures Sdn. Bhd. ("AVSB"), a wholly-owned subsidiary of the Company incorporated Advancecon Development Sdn. Bhd. ("ADSB") with an initial paid-up share capital of RM10 comprising of 10 ordinary shares. AVSB subscribed 10 ordinary shares in ADSB for a total cash consideration of RM10 only. Consequently, ADSB became a wholly-owned subsidiary of AVSB.

### (d) Changes of equity interest in subsidiary companies

In the previous financial year, the indirect subsidiary of the Company, Spring Energy Sdn. Bhd. ("SESB"), acquired additional 3,470,000 ordinary shares in total cash consideration of RM4,796,205 representing 49% of total issued and paid-up share capital in SE Satu Sdn. Bhd. ("SE SATU"). The Group's effective equity interest in SE SATU had changed from 51% to 100%.

The effect of changes in the equity interest in SE SATU that is attributable to owners of the Company:

	<b>Group 2023 RM</b>
Carrying amount of non-controlling interest acquired	6,428,140
Consideration received from non-controlling interest	(4,796,205)
Increase in parent's equity	<u>1,631,935</u>

### (e) Additional investments

#### In the previous financial year

(i) On 9 November 2023, Advancecon Solar Sdn. Bhd. ("ASSB"), a wholly owned subsidiary company of the Company increased its paid-up share capital from RM1,000,000 to RM5,000,000 ordinary shares. The Company has subscribed for additional RM4,000,000 ordinary shares in ASSB for a total cash consideration of RM4,000,000.

(ii) On 20 December 2023, RM79,829,000 of capital contribution to subsidiary companies have been converted into RCPS.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 9. INVESTMENT IN ASSOCIATE COMPANIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>At Cost</b>				
Unquoted shares in Malaysia	225,049	225,000	225,000	225,000
Share options granted to employee of associate	72,720	-	72,720	-
Redeemable convertible preference shares at cost	490,000	-	-	-
Share of post acquisition profit	3,164,366	1,458,166	-	-
	<u>3,952,135</u>	<u>1,683,166</u>	<u>297,720</u>	<u>225,000</u>

Details of the associate company is as follows:

Name of Associate	Place of business/ country of incorporation	Effective interest		Principal Activities
		2024 %	2023 %	
Advancecon (Sarawak) Sdn. Bhd.*	Malaysia	30	30	Providing earthworks, civil engineering services and other related services.
Bumi Hebat Sdn. Bhd.*	Malaysia	49	-	Manufacture prefabricated building components, civil engineering services related to cement, concrete and artificial stone and carry on development and/or operation of power generation from renewable energy, solar and other renewable energy projects.

\* Associate not audited by UHY Malaysia PLT

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 9. INVESTMENT IN ASSOCIATE COMPANIES (CONT'D)

The Group recognised its share of results based on the audited financial statements.

Summarised financial information for each associate company that are material to the Group is set out below.

### (i) Summarised statement of financial position

	Advancecon (Sarawak) Sdn Bhd	
	2024 RM	2023 RM
Non-current assets	1,198,828	1,129,034
Current assets	24,878,306	36,698,279
Non-current liabilities	(444,128)	(669,009)
Current liabilities	(14,252,236)	(31,547,748)
Net assets	11,380,770	5,610,556

	Advancecon (Sarawak) Sdn Bhd	
	2024 RM	2023 RM
Revenue	37,371,621	61,788,169
Profit for the financial year, representing total comprehensive income for financial year	6,435,411	2,324,415

### (ii) Summarised statements of profit or loss and other comprehensive income

	Advancecon (Sarawak) Sdn Bhd	
	2024 RM	2023 RM
Revenue	37,371,621	61,788,169
Profit for the financial year, representing total comprehensive income for financial year	6,435,411	2,324,415

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 9. INVESTMENT IN ASSOCIATE COMPANIES (CONT'D)

(iii) Summarised statements of cash flows

	Advancecon (Sarawak) Sdn Bhd	
	2024 RM	2023 RM
Net cash from/(used in) operating activities	4,087,612	(1,074,519)
Net cash from/(used in) investing activities	3,189,984	(1,139,889)
Net cash (used in)/ from financing activities	(985,349)	601,954
Net changes in cash and cash equivalents	<u>6,292,247</u>	<u>(1,612,454)</u>

(iv) The reconciliation of net assets of the associate to the carrying amount of the investment in associates is as follow:

	2024 RM	2023 RM
Net assets	11,380,770	5,610,556
Proportion of ownership interest held by the Group	30%	30%
	<u>3,414,231</u>	<u>1,683,166</u>

## 10. INVESTMENT IN JOINT VENTURES

	Group	
	2024 RM	2023 RM
<b>At cost</b>		
Unquoted shares in Malaysia	1	1
Share of post acquisition reserves	594,790	594,790
Distribute of Profit	(231,451)	-
	<u>363,340</u>	<u>594,791</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 10. INVESTMENT IN JOINT VENTURES (CONT'D)

Details of the joint ventures are as follows:-

Name of Joint Venture	Place of business/ country of incorporation	Effective interest		Principal Activity
		2024 %	2023 %	
<i>Joint venture of Advancecon Infra Sdn. Bhd.</i>				
AISB-IIBSB JV*	Malaysia	-	80	Providing earthworks, civil engineering services and other related services.
<i>Joint venture of Spring Energy Sdn. Bhd.</i>				
SE-SJK-JV*	Malaysia	50	50	Quarrying and sales of quarry products. (ceased operation)
<i>Joint venture of Spring Energy Mining Sdn. Bhd.</i>				
SE Endau Sdn. Bhd.	Malaysia	50	50	Business of iron ore mining operations.

\* *Joint ventures not audited by UHY Malaysia PLT*

Although the Group holds more than 50% of the voting power in AISB-IIBSB JV, the Group has determined that it does not have sole control over the investee considering that strategic and financial decisions of the relevant activities of the investee require unanimous consent by both joint venture parties.

The Group's joint ventures are individually immaterial to the financial position, financial performance and cash flows of the Group.

## 11. FINANCE LEASE RECEIVABLES

	Group	
	2024 RM	2023 RM
<b>Gross receivables from finance lease:</b>		
Within one year	360,984	477,600
Later than one year but not later than five years	-	360,984
	360,984	838,584
Less: Unearned future finance income	(15,907)	(81,655)
Net investment in finance leases	345,077	756,929

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 11. FINANCE LEASE RECEIVABLES (CONT'D)

	Group	
	2024 RM	2023 RM
<b>Analysed as:</b>		
Current assets	345,077	411,852
Non-current assets	-	345,077
	<u>345,077</u>	<u>756,929</u>

- (a) The Group entered into finance lease arrangements for certain of its earth-moving heavy equipment. All leases are denominated in RM. The average terms of finance leases entered into are ranging from 2 to 3 (2023: 2 to 3) years.
- (b) The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rates contracted range from 12.10% to 13.77% (2023: 12.10% to 13.77%).
- (c) The finance lease receivables at the end of the reporting period are neither past due nor impaired.

## 12. TRADE RECEIVABLES

	Group	
	2024 RM	2023 RM
<b>Non-Current</b>		
Trade receivables	<u>139,462</u>	<u>305,194</u>
<b>Current</b>		
Trade receivables	58,856,458	58,894,144
Less: Accumulated impairment losses	(2,650,774)	(3,508,641)
	<u>56,205,684</u>	<u>55,385,503</u>
	<u>56,345,146</u>	<u>55,690,697</u>

The Group's normal trade credit terms range from 5 to 90 (2023: 5 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

# NOTES TO THE FINANCIAL STATEMENTS

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## 12. TRADE RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses are as follows:

	Group	
	2024 RM	2023 RM
At 1 January	3,508,641	3,178,740
Impairment loss recognised	492,138	597,704
Impairment loss reversed	(1,350,005)	(267,803)
As at 31 December	2,650,774	3,508,641

Impairment losses reversed during the financial year amounting to RM1,350,005 (2023: RM267,803) pertains to previously impaired receivables during the financial year.

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The aged analysis of trade receivables and contract assets as at the end of the reporting period:

	Gross amount RM	Loss allowance RM	Net amount RM
<b>Group</b>			
<b>2024</b>			
Neither past due nor impaired	37,589,241	(86,478)	37,502,763
<i>Past due not impaired:</i>			
Less than 30 days	10,190,386	(54,621)	10,135,765
31 to 60 days	577,540	(25,116)	552,424
61 to 90 days	434,364	(29,233)	405,131
More than 90 days	8,932,307	(1,183,244)	7,749,063
	20,134,597	(1,292,214)	18,842,383
	57,723,838	(1,378,692)	56,345,146
<b>Credit impaired:</b>			
Individually impaired	1,272,082	(1,272,082)	-
	58,995,920	(2,650,774)	56,345,146

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 12. TRADE RECEIVABLES (CONT'D)

The aged analysis of trade receivables and contract assets as at the end of the reporting period: (Cont'd)

	Gross amount RM	Loss allowance RM	Net amount RM
<b>Group</b>			
<b>2023</b>			
Neither past due nor impaired	35,477,581	(24,734)	35,452,847
<i>Past due not impaired:</i>			
Less than 30 days	10,502,429	(20,444)	10,481,985
31 to 60 days	4,990,052	(33,736)	4,956,316
61 to 90 days	363,895	(25,858)	338,037
More than 90 days	5,193,810	(732,298)	4,461,512
	21,050,186	(812,336)	20,237,850
	56,527,767	(837,070)	55,690,697
<b>Credit impaired:</b>			
Individually impaired	2,671,571	(2,671,571)	-
	59,199,338	(3,508,641)	55,690,697

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company.

As at 31 December 2024, trade receivables of RM18,842,383 (2023: RM20,237,850) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM1,272,082 (2023: RM2,671,571) respectively, relate to customers that are in financial difficulties, have defaulted on payments and / or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the trade receivables does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 13. OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Non-Current Asset</b>				
Other receivables	3,785,958	7,639,340	-	-
<b>Current Assets</b>				
Other receivables	22,496,817	15,608,920	24,620	1,761
Less: Accumulated impairment losses	(5,210,039)	(5,105,366)	-	-
	17,286,778	10,503,554	24,620	1,761
Deposits	15,425,106	18,783,845	46,020	59,020
Less: Accumulated impairment losses	(5,038,256)	(5,038,256)	-	-
	10,386,850	13,745,589	46,020	59,020
Prepayments	4,554,306	8,081,931	17,627	18,105
GST recoverable	222	222	120	120
	32,228,156	32,331,296	88,387	79,006
	36,014,114	39,970,636	88,387	79,006

Movements in the allowance for impairment losses are as follows:

	Group	
	2024 RM	2023 RM
At 1 January	10,143,622	450,251
Impairment losses recognised	104,673	9,791,991
Impairment loss reversed	-	(98,620)
At 31 December	10,248,295	10,143,622

- (a) The non-current receivables of the Group at the end of the reporting period represent amount owing by third parties which are repayable within 21 to 48 (2023: 21 to 48) months.
- (b) In previous financial year, included in other receivables of the Group is a deposit amounting to RM6,000,000, paid in prior financial years in relation to the proposed acquisition of the entire equity interest in Bakat Serimas Sdn. Bhd.. The proposed acquisition has been cancelled by SERB and partial amount of the deposit amounting to RM1.39 million was returned to SERB in April 2023. The remaining of the deposit amounting to RM4.61 million was fully impaired during the previous financial year.

# NOTES TO THE FINANCIAL STATEMENTS

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## 14. INVENTORIES

	Note	Group	
		2024 RM	2023 RM
<b>Non-Current</b>			
Property development costs	(a)	-	80,657
<b>Current</b>			
Property development costs	(a)	6,008,616	-
Other inventories	(b)	8,378,468	11,068,242
		<u>14,387,084</u>	<u>11,068,242</u>

(a) Property development costs

	Group	
	2024 RM	2023 RM
<b>Non-Current</b>		
<b>Property development costs</b>		
At 1 January	80,657	-
Additions	-	80,657
Reclassification	(80,657)	-
At 31 December	<u>-</u>	<u>80,657</u>
<b>Current</b>		
<b>Property development costs</b>		
At 1 January	-	-
Additions	5,927,959	-
Reclassification	80,657	-
At 31 December	<u>6,008,616</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 14. INVENTORIES (CONT'D)

(b) Other inventories

	Group	
	2024 RM	2023 RM
<b>At cost:</b>		
Stockpile of quarry products	5,122,269	5,103,496
Raw materials	1,627,401	4,898,810
Spare parts	1,628,798	1,065,936
	<u>8,378,468</u>	<u>11,068,242</u>
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of sales	<u>163,422,711</u>	<u>103,828,925</u>

## 15. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

	Company	
	2024 RM	2023 RM
<b>Non-Current</b>		
Amount due from:		
Non-trade balances	<u>26,944,192</u>	-
<b>Current</b>		
Amount due from:		
Trade balances	3,344,910	5,410,822
Non-trade balances	15,746,326	27,244,955
	<u>19,091,236</u>	<u>32,655,777</u>
Amount due to:		
Trade balances	-	(516,530)
Non-trade balances	(16,144,483)	(2,963)
	<u>(16,144,483)</u>	<u>(519,493)</u>

- (a) The trade balance is subject to a normal trade credit term of 30 (2023: 30) days
- (b) The non-trade balances are unsecured, repayable on demand and interest-free, except for amount due to certain subsidiaries which are subject to 4.97% - 5.49% (2023: 4.97% - 5.49%) interest per annum.
- (c) The amounts due are to be settled in cash.

# NOTES TO THE FINANCIAL STATEMENTS

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## 16. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024 RM	2023 RM
<u>Contract assets</u>		
Construction contracts	84,400,211	100,204,271
<u>Contract liabilities</u>		
Construction contracts	(10,007,593)	(19,493,564)

- (a) The contract assets primarily relate to the Group's right to consideration for construction work completed on construction services but not yet billed as at the reporting date. The amount will be invoiced within 1 month to 19 years (2023: 1 month to 20 years).

Included in contract assets are retention sum receivables from third parties and a related party totalling RM32,518,912 (2023: RM27,101,620) and RM5,510,700 (2023: RM8,606,152) respectively. The retention sums are expected to be collected within the periods ranging from 1 to 3 (2023: 1 to 4) years.

- (b) The contract liabilities primarily relate to advance considerations received from few customers for construction services of which the revenue will be recognised over the remaining contract term of specific contract it relates to, ranging from 2 to 30 (2023: 2 to 30) months.

- (c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	Group	
	2024 RM	2023 RM
At 1 January	80,710,707	89,493,996
Revenue recognised in profit or loss during the financial year	182,594,636	258,016,416
Billings to customers during the financial year	(188,434,406)	(266,799,705)
Allowance for impairment losses	(478,319)	-
At 31 December	74,392,618	80,710,707
Presented as:		
Contract assets	84,400,211	100,204,271
Contract liabilities	(10,007,593)	(19,493,564)
	74,392,618	80,710,707

# NOTES TO THE FINANCIAL STATEMENTS

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## 16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:- (Cont'd)

Movements in the allowance for impairment losses of contract assets are as follows:

	Group	
	2024 RM	2023 RM
At 1 January/31 December	2,753,204	2,753,204
Allowance for impairment losses	478,319	-
At 31 December	<u>3,231,523</u>	<u>2,753,204</u>

- (d) Contract value yet to be recognised as revenue

As of the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) is RM233,115,195. The Group expects to recognise this revenue as the construction contracts are completed, which is expected to occur over the next 12-36 months.

## 17. AMOUNT DUE FROM/(TO) AN ASSOCIATED COMPANY

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Amount due from:</b>				
Trade balances	1,749,793	3,567,318	-	30,900
Non-trade balances	687,615	30,900	104,583	1,250
	<u>2,437,408</u>	<u>3,598,218</u>	<u>104,583</u>	<u>32,150</u>
<b>Amount due to:</b>				
Trade balances	(57,423)	-	-	-
Non-trade balances	(25,498)	(4,867,431)	-	-
	<u>(82,921)</u>	<u>(4,867,431)</u>	<u>-</u>	<u>-</u>

- (a) The trade balances are subject to a normal trade credit term of 30 (2023: 30) days
- (b) The non-trade balances are unsecured, interest-free and repayable on demand.
- (c) The amounts due are to be settled in cash.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 18. AMOUNT DUE FROM/(TO) RELATED PARTIES

	Group	
	2024 RM	2023 RM
<b>Amount due from:</b>		
Trade balances	52,441	389,675
Less : Accumulated impairment losses	(1,266)	(10,683)
	<u>51,175</u>	<u>378,992</u>
<b>Amount due to:</b>		
<u>Non-Current</u>		
Non-trade balances	(26,072,778)	-
<u>Current</u>		
Non-trade balances	-	(25,406,791)
	<u>(26,072,778)</u>	<u>(25,406,791)</u>

	Group	
	2024 RM	2023 RM
At 1 January	10,683	-
Impairment losses recognised	-	10,683
Impairment loss reversed	(9,417)	-
At 31 December	<u>1,266</u>	<u>10,683</u>

- (a) The trade balance is subject to a normal trade credit term of 15 - 60 (2023: 15 - 60) days.
- (b) The non-trade balance is unsecured, repayable on demand and interest-free, except for amount owing to certain related parties which are subject to 5.11% - 5.40% (2023: 4.97% - 5.45%) interest per annum.
- (c) The amount due is to be settled in cash.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 19. AMOUNT DUE FROM/(TO) A JOINT VENTURE

	Group	
	2024 RM	2023 RM
<b>Amount due from:</b>		
Non-trade balance	-	2,075,685
<b>Amount due to:</b>		
Trade balance	-	(1,421,720)

- (a) The trade balances are subject to a normal trade credit term of 30 (2023: 30) days
- (b) The non-trade balances are unsecured, interest-free and repayable on demand.
- (c) The amounts due are to be settled in cash

## 20. SHORT-TERM INVESTMENTS

Investments in fixed income trust funds represents investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

## 21. DEPOSITS WITH LICENSED BANKS

The deposits with licensed banks of the Group and of the Company at the end of the reporting period have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 26.

The interest rates of the deposits of the Group and of the Company range from 1.60% to 3.15% (2023: 1.60% to 3.10%) per annum and 2.70% (2023: 2.70%) per annum respectively and mature with range from 30 to 365 (2023: 30 to 365) days and 365 (2023: 365) days respectively.

## 22. NON-CURRENT ASSETS HELD FOR SALE

In the previous financial year

On 10 November 2023, the indirect subsidiary of the Company, Spring Energy Sdn. Bhd. (“SESB”) entered into Sale and Purchase Agreement with Yau Poh Trading Sdn. Bhd. to dispose plant and machineries for sale consideration amounting to RM6,000,000. The disposal of assets was subsequently completed on 23 February 2024.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 23. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
<b>Issued and fully paid</b>				
<b>Ordinary shares</b>				
At 1 January	584,731,900	492,756,000	133,729,611	114,139,592
Issuance of shares				
- Private placement	-	91,975,900	-	19,774,819
- Share issue expenses	-	-	-	(184,800)
At 31 December	<u>584,731,900</u>	<u>584,731,900</u>	<u>133,729,611</u>	<u>133,729,611</u>

In the previous financial year, the Company increased its issued and paid-up share capital from RM114,139,592 comprising 492,756,000 ordinary shares to RM133,729,611 comprising 584,731,900 ordinary shares by way of issuance of 91,975,900 new ordinary shares for a share consideration of RM19,774,819 pursuant to the private placement at an exercise price of RM0.2150 per share.

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

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

## 24. TREASURY SHARES

During the financial year, the Company repurchased 520,600 ordinary shares of its issued share capital from the open market. The average price paid for the share repurchased was RM0.24 per share. The total consideration paid for the repurchase, including transaction costs, was RM126,935. The repurchased transactions were financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Of the total 584,731,900 (2023: 584,731,900) issued and fully paid-up ordinary shares at the ending of the reporting period, 9,901,900 (2023: 9,381,300) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 25. RESERVE

### Employee Share Option Reserve

The employee share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The Employee Share Option Scheme of the Company (“ESOS”) is governed by the ESOS By-Laws and was approved by shareholders on 18 December 2024. The ESOS is to be in force for a period of 5 years effective from 18 December 2024.

The main features of the ESOS are as follows:-

- (a) Eligible persons are employees and executive directors of the Company and its subsidiary companies which are not dormant, who have been confirmed in service/has served for at least 6 months before the date of the offer.
- (b) The maximum number of new ordinary shares of the Company, which may be available under the scheme, shall not exceed in aggregate 15%, or any such amount or percentage as may be permitted by the relevant authorities of the issued and paid-up share capital of the Company at any one time during the existence of the ESOS.
- (c) The option price shall be determined by the ESOS Committee based on the 5-day weighted average market price of ordinary shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%.
- (d) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new ordinary shares of the Company comprised in the ESOS.
- (e) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares.

The option prices and the details in the movement of the options granted are as follows:-

Date of Offer	Exercise Price	Contractual Life of Options	At 1 January 2024	Granted	At 31 December 2024
18 December 2024	RM 0.222	2 Years	-	86,224,500	86,224,500

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of any other company.

# NOTES TO THE FINANCIAL STATEMENTS

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## 25. RESERVE (CONT'D)

### Employee Share Option Reserve (Cont'd)

The fair values of the share options granted were estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options measured at grant date and the assumptions used are as follows:-

	Granted on 19.12.2024
Fair Value of share options at the grant date (RM)	0.255
Weighted average ordinary share price (RM)	0.245
Exercise Price of share option (RM)	0.222
Expected Volatility (%)	44.911
Expected Life (Years)	2
Risk-free rate (%)	3.3797
Expected dividend yield (%)	-

## 26. BANK BORROWINGS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Secured</b>				
Invoice financing	23,280,081	28,896,664	-	-
Bankers' acceptance	16,701,800	25,323,157	-	-
Bank factoring	6,857,573	4,502,984	-	-
Revolving credit	15,000,000	-	-	-
Hire purchase payables	28,455,195	26,851,966	-	-
Term loan	126,328,900	118,768,039	8,808,506	12,072,279
Bank overdrafts	14,264,959	11,793,209	4,399,330	3,361,748
	<u>230,888,508</u>	<u>216,136,019</u>	<u>13,207,836</u>	<u>15,434,027</u>
<b>Analysed as:</b>				
<b>Non-current</b>				
Hire purchase payables	14,856,790	14,526,014	-	-
Term loan	103,363,367	90,695,210	5,534,215	8,811,613
	<u>118,220,157</u>	<u>105,221,224</u>	<u>5,534,215</u>	<u>8,811,613</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 26. BANK BORROWINGS (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Current</b>				
Invoice financing	23,280,081	28,896,664	-	-
Bankers' acceptance	16,701,800	25,323,157	-	-
Bank factoring	6,857,573	4,502,984	-	-
Revolving credit	15,000,000	-	-	-
Hire purchase payables	13,598,405	12,325,952	-	-
Term loan	22,965,533	28,072,829	3,274,291	3,260,666
Bank overdrafts	14,264,959	11,793,209	4,399,330	3,361,748
	<u>112,668,351</u>	<u>110,914,795</u>	<u>7,673,621</u>	<u>6,622,414</u>
	<u>230,888,508</u>	<u>216,136,019</u>	<u>13,207,836</u>	<u>15,434,027</u>

### Hire purchase payables

	Group	
	2024 RM	2023 RM
Minimum hire purchase payments:		
- not later than one year	14,952,426	13,412,934
- later than one year and not later than five years	15,733,029	15,378,768
	<u>30,685,455</u>	<u>28,791,702</u>
Less: Future finance charges	(2,230,260)	(1,939,736)
Present value of hire purchase payables	<u>28,455,195</u>	<u>26,851,966</u>
<b>Presented as:</b>		
Non-current	14,856,790	14,526,014
Current	13,598,405	12,325,952
	<u>28,455,195</u>	<u>26,851,966</u>

(a) The term loans are secured by:

- (i) Facility agreement for a total sum of RM61,366,635;
- (ii) The deposits with licensed banks of certain subsidiaries;
- (iii) Corporate guarantee of the Company;

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 26. BANK BORROWINGS (CONT'D)

- (a) The term loans are secured by: (Cont'd)
- (iv) A Government's guarantee under the Danajamin Prihatin Guarantee Scheme ("DPGS") or up to RM17,600,000;
  - (v) Basic building debenture over certain properties of the Company;
  - (vi) Registered open all monies 1st party charge stamp nominally over certain properties of the Company and a subsidiary;
  - (vii) Corporate guarantee of a subsidiary;
  - (viii) Deed of assignment and power of attorney over certain investment properties of a subsidiary
  - (ix) Legal charge over certain investment properties of a subsidiary
  - (x) Assignment of rental proceeds created over certain investment properties of a subsidiary, and
  - (xi) Joint corporate guarantee from the Company and a shareholder of a subsidiary

In the previous financial year, a subsidiary had declared a dividend by seeking lender's approval. The written consent is still under review by the lender as at the end of the reporting period. The lender has not demanded for the term loan outstanding amounting to RM7,740,650 to be immediately due and payable as at 31 December 2024.

- (b) The invoice financing, bankers' acceptance, bank factoring and revolving credit are secured by:
- (i) The deposits with licensed banks of certain subsidiaries;
  - (ii) Corporate guarantee of the Company;
  - (iii) Legal charge over certain investment properties of a subsidiary;
  - (iv) Deed of assignment of certain contract proceeds of a subsidiary;
  - (v) Subordination of loans and advances of the Company; and
  - (vi) Joint corporate guarantee from the Company and a shareholder of a subsidiary.
- (c) The bank overdrafts are secured by:
- (i) Legal charge over certain properties of a subsidiary;
  - (ii) Corporate guarantee of the Company;
  - (iii) The deposits with licensed banks of a certain subsidiaries;
  - (iv) Deed of assignment of certain contract proceeds of a subsidiary;

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 26. BANK BORROWINGS (CONT'D)

(c) The bank overdrafts are secured by: (Cont'd)

(v) Subordination of loans and advances of the Company; and

(vi) Joint corporate guarantee from the Company and a shareholder of a subsidiary.

The maturity of bank borrowings are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within one year	112,668,351	110,914,795	7,673,621	6,622,414
Later than one year but not later than two years	19,940,589	23,374,928	3,298,364	3,285,563
Later than two years but not later than five years	28,739,792	29,272,200	980,023	3,937,975
Later than five years	69,539,776	52,574,096	1,255,828	1,588,075
	<u>230,888,508</u>	<u>216,136,019</u>	<u>13,207,836</u>	<u>15,434,027</u>

The Group's interest rates per annum are as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Invoice financing	5.20 - 8.10	4.27 - 8.10	-	-
Bankers' acceptance	4.27 - 6.47	4.27 - 7.57	-	-
Hire purchase payables	3.20 - 6.30	2.80 - 8.50	-	-
Other trade bills financing	5.50 - 5.66	5.23 - 5.50	-	-
Bank overdrafts	6.45 - 7.82	6.65 - 8.32	8.32	8.32
Revolving credit	4.78 - 5.81	-	-	-
Term loan	4.26 - 7.22	4.26 - 8.00	4.26 - 5.38	4.26 - 5.38

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. LEASE LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	3,712,871	2,813,972	115,782	185,207
Addition of new leases	163,124	2,244,345	-	-
Interest expense recognised in profit or loss	192,857	204,214	3,333	6,175
Termination of lease contracts	(53,182)	(160,949)	-	-
Lease modification	224,175	-	-	-
Repayment of principal	(1,399,916)	(1,184,497)	(72,267)	(69,425)
Repayment of interest expense	(192,857)	(204,214)	(3,333)	(6,175)
At 31 December	<u>2,647,072</u>	<u>3,712,871</u>	<u>43,515</u>	<u>115,782</u>
<b>Presented as:</b>				
Non-current	1,291,506	2,262,017	-	43,515
Current	1,355,566	1,450,854	43,515	72,267
	<u>2,647,072</u>	<u>3,712,871</u>	<u>43,515</u>	<u>115,782</u>

The maturity analysis of lease liabilities of the Group at the end of reporting period:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within one year	1,426,178	1,569,880	43,515	75,600
Later than one year and not later than two years	568,200	1,725,856	-	44,100
Later than two years and not later than five years	900,139	733,950	-	-
	<u>2,894,517</u>	<u>4,029,686</u>	<u>43,515</u>	<u>119,700</u>
Less: Future finance charges	(247,445)	(316,815)	-	(3,918)
Present value of lease liabilities	<u>2,647,072</u>	<u>3,712,871</u>	<u>43,515</u>	<u>115,782</u>

The average effective interest rates for the leases of the Group and the Company are ranging from 3.80% to 5.38% and 3.80 to 5.38% (2023: 3.80% to 6.24% and 3.80 to 5.38%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. DEFERRED TAX LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	(5,004,303)	(4,317,304)	-	160,149
Recognised in profit or loss (Note 33)	684,852	645,516	-	-
Under provision in prior year	(583,663)	(1,332,515)	-	(160,149)
At 31 December	(4,903,114)	(5,004,303)	-	-

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets	16,823,154	11,060,759	-	189
Deferred tax liabilities	(21,726,268)	(16,065,062)	-	(189)
	(4,903,114)	(5,004,303)	-	-

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

	Unutilised tax losses	Unabsorbed capital allowances	Others	Total
	RM	RM	RM	RM
<b>Group</b>				
<b>Deferred tax assets</b>				
<b>2024</b>				
At 1 January	88,378	8,893,372	2,079,009	11,060,759
Recognised in profit or loss	106,393	4,699,620	4,673	4,810,686
Over provision in prior year	13,304	938,405	-	951,709
At 31 December	208,075	14,531,397	2,083,682	16,823,154
<b>2023</b>				
At 1 January	171,529	9,556,900	3,236,097	12,964,526
Recognised in profit or loss	46,184	(217,664)	(34,718)	(206,198)
Over provision in prior year	(129,335)	(445,864)	(1,122,370)	(1,697,569)
At 31 December	88,378	8,893,372	2,079,009	11,060,759

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows: (Cont'd)

	2024 RM	2023 RM
<b>Group</b>		
<b>Deferred tax liabilities</b>		
<b>Accelerated capital allowances</b>		
At 1 January	(16,065,062)	(17,281,830)
Recognised in profit or loss	(4,125,834)	851,714
Over provision in prior year	(1,535,372)	365,054
At 31 December	<u>(21,726,268)</u>	<u>(16,065,062)</u>

	Unutilised tax losses RM	Unabsorbed capital allowances RM	Total RM
<b>Company</b>			
<b>Deferred tax assets</b>			
<b>2024</b>			
At 1 January	-	189	189
Recognised in profit or loss	-	(189)	(189)
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>
<b>2023</b>			
At 1 January	171,529	-	171,529
Recognised in profit or loss	(42,194)	(15,963)	(58,157)
Under provision in prior year	(129,335)	16,152	(113,183)
At 31 December	<u>-</u>	<u>189</u>	<u>189</u>

	2024 RM	2023 RM
<b>Deferred tax liabilities</b>		
<b>Accelerated capital allowances</b>		
At 1 January	(189)	(11,380)
Recognised in profit or loss	189	58,157
Under provision in prior year	-	(46,966)
At 31 December	<u>-</u>	<u>(189)</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 28. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised tax losses	75,831,112	60,414,124	257,138	257,138
Unabsorbed capital allowances	72,222,791	74,779,550	118,027	93,279
Other deductible temporary differences	571,604	504,049	-	2,270
	<u>148,625,507</u>	<u>135,697,723</u>	<u>375,165</u>	<u>352,687</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

## 29. TRADE PAYABLES

	Group	
	2024 RM	2023 RM
<b>Current</b>		
Trade payables	58,786,254	86,159,832
Retention sum	13,705,114	13,399,873
	<u>72,491,368</u>	<u>99,559,705</u>

The normal trade credit terms granted to the Group range from 14 to 120 days (2023: 14 to 60 days). Other credit terms are assessed and approved on a case by case basis.

The retention sums are unsecured, interest-free and expected to be paid within a period of 1 to 4 (2023: 1 to 4) years.

## 30. OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	10,413,573	7,118,031	40,849	64,193
Accruals	15,370,036	20,970,656	540,470	677,899
Deposits received	347,150	149,125	2,400	-
	<u>26,130,759</u>	<u>28,237,812</u>	<u>583,719</u>	<u>742,092</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 31. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Revenue from Contract with Customers</b>				
Construction and support services:				
- Contract revenue	157,928,410	240,740,719	-	-
- Sale of goods	13,887,900	21,336,341	-	-
- Hiring of machinery	6,263,406	5,454,760	-	-
- Day work revenue	4,375,320	5,712,041	-	-
Rental income from investment properties	523,039	387,625	-	-
Cabin living quarter rental	665,342	688,937	-	-
Quarry operations:				
- Contract revenue	27,326,517	17,275,697	-	-
- Sale of quarry products	90,485,078	89,756,426	-	-
- Hiring of machinery	1,274,094	721,975	-	-
- Transport income	3,767,439	1,408,538	-	-
- Sub-contract work	74,800,714	65,922,270	-	-
Solar energy:				
- Contract revenue	308,607	-	-	-
- Operating revenue	1,502,685	310,002	-	-
	<b>383,108,551</b>	<b>449,715,331</b>	-	-
<b>Revenue from Other Sources</b>				
Dividend income	-	-	30,000,000	-
Management fee	120,000	50,000	5,037,279	5,410,822
	<b>120,000</b>	<b>50,000</b>	<b>35,037,279</b>	<b>5,410,822</b>
	<b>383,228,551</b>	<b>449,765,331</b>	<b>35,037,279</b>	<b>5,410,822</b>
<b>Timing of revenue recognition</b>				
At a point in time	121,864,529	124,700,084	-	-
Over time	261,244,022	325,015,247	-	-
	<b>383,108,551</b>	<b>449,715,331</b>	-	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 32. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Interest expenses on:</b>				
Bank factoring	370,695	65,317	-	-
Bank overdrafts	1,005,093	2,839,193	253,641	110,235
Invoice financing and bankers' acceptance	2,713,358	1,955,876	-	-
Hire purchase	1,425,998	1,916,538	-	-
Revolving credit	490,818	602,860	-	-
Term loan	3,501,891	3,283,054	525,900	674,626
Overdue interest on borrowings	-	606,615	-	-
Related parties	1,202,987	1,062,489	-	-
Others	285,611	293,060	-	-
Lease liabilities	192,857	204,214	3,333	6,175
	<b>11,189,308</b>	<b>12,829,216</b>	<b>782,874</b>	<b>791,036</b>

## 33. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is derived at after at charging/(crediting) amongst other, the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- Statutory audit				
- Current year	368,000	330,000	55,000	40,000
- Underprovision in prior year	-	17,900	-	-
- Non-statutory audit	5,000	5,000	5,000	5,000
Amortisation of intangible assets	100,000	100,000	-	-
Bad debt written off	25,000	3,825	-	-
Depreciation of:				
- property, plant and equipment	37,561,455	41,717,438	206,965	445,753
- investment properties	560,673	579,036	-	-
Property, plant and equipment written off	35,340	142,952	1	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

### 33. (LOSS)/PROFIT BEFORE TAX (CONT'D)

(Loss)/Profit before tax is derived at after at charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value (gain)/loss on long-term:				
- trade receivables	(13,342)	(15,006)	-	-
- other receivables	(301,950)	335,823	-	-
Gain on disposals of:				
- property, plant and equipment	(3,946,102)	(7,026,942)	-	-
- non-current asset held for sale	(4,347,809)	(442,430)	-	-
Gain on termination of lease contracts	(2,027)	(6,217)	-	-
Impairment loss on:				
- trade receivables	492,138	597,704	-	-
- other receivables	104,673	9,791,991	-	-
- contract assets	478,319	-	-	-
- amount due from related parties	-	10,683	-	-
	1,075,130	10,400,378	-	-
Reversal of impairment loss on:				
- trade receivables	(1,350,005)	(267,803)	-	-
- other receivables	-	(98,620)	-	-
- amount due from related parties	(9,417)	-	-	-
	(1,359,422)	(366,423)	-	-
Royalties and tributes	12,553,191	9,470,392	-	-
Dividend income	(8,904)	(9,694)	(30,002,379)	(2,277)
Interest income	(996,864)	(1,829,621)	(1,259,796)	(1,614,421)
Operating lease of land	-	(120,000)	-	-
Staff accommodation for				
- general work	-	(60,000)	-	-
- motor vehicle	-	(183,000)	-	-
Short Term Lease	282,386	140,700	-	-
Loss on modification of lease liabilities	224,175	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 34. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Tax expenses for the financial year:</b>				
Current tax provision	1,513,600	2,059,082	229,955	278,288
(Over)/Underprovision in prior years	(594,744)	190,251	-	140,719
	918,856	2,249,333	229,955	419,007
<b>Deferred tax: (Note 28)</b>				
Relating to origination and reversal of temporary differences	(684,852)	(645,916)	-	-
Underprovision in prior years	583,663	1,332,915	-	160,149
	(101,189)	686,999	-	160,149
	817,667	2,936,332	229,955	579,156

Malaysian income tax is calculated at the statutory tax rate of 24% (2023:24%) of chargeable income of the estimated assessable profit for the financial year.

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory tax rate to income tax expenses at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before tax	(20,748,663)	(42,938,782)	28,773,229	(648,706)
Taxation at statutory tax rate of 24% (2023: 24%)	(4,979,680)	(10,305,308)	6,905,575	(155,689)
Income not subject to tax	(7,596,680)	(184,749)	(7,251,029)	-
Expenses not deductible for tax purposes	10,302,439	7,216,758	570,014	369,585
Deferred tax assets not recognised	4,286,637	4,686,865	5,395	64,392
Utilisation of previously unrecognised deferred tax	(1,183,968)	-	-	-
Underprovision of income tax expense in prior years	(594,744)	190,251	-	140,719
Underprovision deferred tax expense in prior years	583,663	1,332,515	-	160,149
Tax expense for the financial year	817,667	2,936,332	229,955	579,156

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 34. TAXATION (CONT'D)

The Group has the following estimated unabsorbed capital allowances and unutilised tax losses available to carry forward to offset against future taxable profit. The said amounts are subject to approval by tax authorities.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised tax losses	75,837,751	60,521,810	257,138	257,138
Unabsorbed capital allowances	132,675,534	110,720,261	168,556	93,279
	<u>208,513,285</u>	<u>171,242,071</u>	<u>425,694</u>	<u>350,417</u>

With effects from year assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of ten (10) years of assessment under the current tax legislation in Malaysia. The other temporary difference does not expire under tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Unutilised tax losses to be carried forward until:</b>				
Year of assessment				
- 2028	6,336,509	6,336,509	-	-
- 2029	4,826,590	4,826,590	-	-
- 2030	23,369,432	23,369,432	-	-
- 2031	2,331,041	2,373,866	257,138	257,138
- 2032	4,133,872	4,133,872	-	-
- 2033	19,481,541	19,481,541	-	-
- 2034	15,358,766	-	-	-
	<u>75,837,751</u>	<u>60,521,810</u>	<u>257,138</u>	<u>257,138</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 35. STAFF COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages and other emoluments	73,298,054	76,096,568	4,492,577	4,876,838
Defined contribution plans	6,689,418	7,393,394	515,697	590,145
Share option expenses	3,410,750	-	696,329	-
Other benefits	3,462,737	3,306,765	369,722	43,152
	<u>86,860,959</u>	<u>86,796,727</u>	<u>6,074,325</u>	<u>5,510,135</u>

Included in staff costs is aggregate amount of remuneration received and receivables by the Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Executive Directors</b>				
Salary and other emoluments	2,153,802	2,289,996	1,556,102	1,687,231
Defined contribution plans	207,665	254,578	183,935	203,887
	<u>2,361,467</u>	<u>2,544,574</u>	<u>1,740,037</u>	<u>1,891,118</u>
<b>Non-Executive Directors</b>				
Fees	221,640	220,963	221,640	220,963
Allowances	10,500	37,500	10,500	37,500
	<u>232,140</u>	<u>258,463</u>	<u>232,140</u>	<u>258,463</u>
	<u>2,593,607</u>	<u>2,803,037</u>	<u>1,972,177</u>	<u>2,149,581</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. LOSS PER SHARE

### (a) Basic loss per share

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year is disclosed in next page.

	Group	
	2024 RM	2023 RM
Loss for the financial year, attributable to owners of the Parent	(22,737,059)	(34,295,179)
Weighted average number of ordinary shares:		
Ordinary shares in issue as at 1 January	584,731,900	492,756,000
Effect of treasury shares held	(9,415,981)	(9,381,300)
Effect of private placement	-	69,296,911
Weighted average number of ordinary shares in issue	575,315,919	552,671,611
Basic loss per share (in sen)	(3.95)	(6.20)

### (b) Diluted loss per share

	Group	
	2024 RM	2023 RM
As at 1 January/31 December	584,731,900	492,756,000
Share issue pursuant to:		
- issuance of ordinary shares	-	69,296,911
- treasury shares	(9,415,981)	(9,381,300)
As at 31 December	575,315,919	552,671,611

# NOTES TO THE FINANCIAL STATEMENTS

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## 37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Financing Cash Flows				Other changes (i)	At 31 December
	At 1 January	Drawdown	Repayment	RM		
<b>2024</b>						
<b>Group</b>						
Hire purchase payables (Note 26)	26,851,966	-	(14,414,952)	16,018,181	28,455,195	
Lease liabilities (Note 27)	3,712,871	-	(1,399,916)	334,117	2,647,072	
Term loan (Note 26)	118,768,039	27,018,038	(39,635,383)	20,178,206	126,328,900	
Bankers' acceptance (Note 26)	25,323,157	58,960,494	(67,581,851)	-	16,701,800	
Invoice financing (Note 26)	28,896,664	119,353,578	(124,970,161)	-	23,280,081	
Revolving credit (Note 26)	-	15,000,000	-	-	15,000,000	
Bank factoring (Note 26)	4,502,984	16,422,673	(14,068,084)	-	6,857,573	
Amount due to an associated company (Note 17)	4,867,431	-	-	(4,841,933)	25,498	
	212,923,112	236,754,783	(262,070,347)	31,688,571	219,296,119	



# NOTES TO THE FINANCIAL STATEMENTS

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## 37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	Financing Cash Flows			Other changes (i) RM	At 31 December RM
	At 1 January RM	Drawdown RM	Repayment RM		
<b>2023</b>					
<b>Group</b>					
Hire purchase payables (Note 26)	44,257,583	-	(21,126,417)	3,720,800	26,851,966
Lease liabilities (Note 27)	2,813,972	-	(1,184,497)	2,083,396	3,712,871
Term loan (Note 26)	79,409,239	63,848,802	(24,490,002)	-	118,768,039
Bankers' acceptance (Note 26)	30,001,650	95,719,822	(100,398,315)	-	25,323,157
Invoice financing (Note 26)	27,584,796	118,904,541	(117,592,673)	-	28,896,664
Revolving credit (Note 26)	17,500,000	-	(17,500,000)	-	-
Bank factoring (Note 26)	34,487,531	-	(29,984,547)	-	4,502,984
Amount due to an associated company (Note 17)	-	-	-	4,867,431	4,867,431
	236,054,771	278,473,165	(312,276,451)	10,671,627	212,923,112

# NOTES TO THE FINANCIAL STATEMENTS

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## 37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At		Financing Cash Flows		Other changes (i)	At 31 December
	1 January	RM	Drawdown	Repayment		
<b>2024</b>						
<b>Company</b>						
Term loan (Note 26)	12,072,279		7,633	(3,271,406)	-	8,808,506
Lease liabilities (Note 27)	115,782		-	(72,267)	-	43,515
Amount due to subsidiary companies (Note 17)	2,963		-	-	16,141,520	16,144,483
	12,191,024		7,633	(3,343,673)	16,141,520	24,996,504
<b>2023</b>						
<b>Company</b>						
Term loan (Note 26)	15,326,183		7,581	(3,261,485)	-	12,072,279
Lease liabilities (Note 27)	185,207		-	(69,425)	-	115,782
Amount due to subsidiary companies (Note 17)	14,884		-	-	(11,921)	2,963
	15,526,274		7,581	(3,330,910)	(11,921)	12,191,024

(i) Other changes include new lease, new hire purchase, modification of lease liabilities, termination of lease liabilities, reclassification of other payables to lease liabilities, repayment to and advances from subsidiary companies, advances from and repayment to an associate and redemption of term loans upon disposal of investment properties.



# NOTES TO THE FINANCIAL STATEMENTS

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## 38. RELATED PARTY DISCLOSURES

### (a) Identified 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 or joint 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. 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 and certain members of senior management and chief executive officers of major subsidiary companies of the Group.

### (b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. In addition to related party balances disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Entity related to the Group</b>				
Received or receivable:-				
Contract revenue	-	32,060,309	-	-
Hiring of machinery	4,883,022	1,248,418	-	-
Management fees	120,000	50,000	120,000	50,000
Sales of goods	2,107,292	-	-	-
Secondment fee	769,231	760,986	71,537	-
Rental of motor vehicle	366,750	183,000	-	-
Rental of staff accomodation	(10,000)	60,000	-	-
Paid or payable:-				
Rental of premises	86,000	342,000	-	-
Secondment fees	(77,518)	313,863	-	-
Subcontractor fees	-	2,552,098	-	-
Interest expense	1,202,987	1,181,520	-	-
Royalty and tribute	621,735	1,041,832	-	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 38. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Significant related party transactions (Cont'd)

Related party transactions have been entered into in the normal course of business under normal trade terms. In addition to related party balances disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Subsidiaries</b>				
Received or receivable:-				
Dividend income	-	-	30,000,000	-
Management fee	-	-	4,917,279	5,360,822
Share option expenses	-	-	1,058,475	-
Rental income	-	-	421,500	324,000
Interest income	-	-	1,252,088	1,602,177
Administrative income	-	-	-	321
<b>Director</b>				
Paid or payable:-				
Rental of premises	75,600	75,600	75,600	75,600

### (c) Compensation of key management personnel

Information regarding compensation of key management personnel is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Directors of the Company</b>				
Short-term employee benefits:				
- Fees	232,140	220,963	232,140	220,963
- Salaries and other emoluments	2,153,802	2,327,496	1,556,102	1,724,731
	2,385,942	2,548,459	1,788,242	1,945,694
Defined contribution plan	207,665	254,578	183,935	203,887
Total directors' remuneration	2,593,607	2,803,037	1,972,177	2,149,581

# NOTES TO THE FINANCIAL STATEMENTS

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## 38. RELATED PARTY DISCLOSURES (CONT'D)

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

Information regarding compensation of key management personnel is as follows: (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Other key management personnel</u>				
Short-term employee benefits	2,666,050	2,860,387	-	-
Defined contribution plan	324,531	343,033	-	-
Other benefits	79,050	301,011	-	-
Total compensation for other key management personnel	3,069,631	3,504,431	-	-

## 39. SEGMENTAL INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Chief Executive Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their services provided.

The Group is organised into 5 main reportable segments as follows:-

- (a) Construction and Support Services - involved in earthworks and civil engineering services;
- (b) Property Investments - involved in sales of investment properties for capital gain and rental of investment properties;
- (c) Green Energy - involved in the development and/or operation of power generation from renewable energy, solar and other renewable energy projects;
- (d) Quarry Operations - involved in contracted quarry operations; and
- (e) Property Development - involved in the development of industrial park, workers' dormitory/accommodation

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly current tax assets, current tax liabilities, goods and services tax recoverable, deferred tax assets and deferred tax liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

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## 39. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
<b>2024</b>								
<b>Revenue</b>								
External sales	182,423,716	523,039	1,811,292	816,662	197,653,842	383,228,551	-	383,228,551
Inter-segment	69,272,515	-	-	-	5,997,782	75,270,297	(75,270,297)	-
Total revenue	251,696,231	523,039	1,811,292	816,662	203,651,624	458,498,848	(75,270,297)	383,228,551
<b>Results</b>								
Segment results	11,925,896	(482,476)	(384,997)	(2,579,455)	9,945,113	18,424,081	(30,695,404)	(12,271,323)
Interest income								996,864
Dividend income from short-term investments								8,904
Finance cost								(11,265,555)
Share of results of an equity accounted associate								(11,189,308)
Consolidated loss before tax								1,706,200
Income tax expense								(20,748,663)
Consolidated loss after tax								(817,667)
								(21,566,330)

# NOTES TO THE FINANCIAL STATEMENTS

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## 39. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
<b>2024</b>								
<b>Assets</b>								
Segment assets	440,048,236	32,763,215	131,553,200	26,286,002	143,963,856	774,614,509	(249,263,363)	525,351,146
Goods and service tax recoverable								222
Tax recoverable								6,118,561
Consolidated total assets								<u>531,469,929</u>
<b>Liabilities</b>								
Segment liabilities	193,842,973	13,472,194	91,980,528	29,446,259	149,159,364	477,901,318	(109,580,319)	368,320,999
Deferred tax liabilities								4,903,114
Tax payables								299,842
Consolidated total liabilities								<u>373,523,955</u>

# NOTES TO THE FINANCIAL STATEMENTS

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## 39. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments eliminations RM	and Consolidated RM
2024								
<b>Other segment items:</b>								
Capital expenditure:								
- Property, plant and equipment	12,117,446	-	17,311,680	99,278	25,541,454	55,069,858	(2,316,139)	52,753,719
Amortisation of intangible assets	-	-	-	-	100,000	100,000	-	100,000
Depreciation:								
- Investment properties	26,416	534,257	-	-	-	560,673	-	560,673
- Property, plant and equipment	17,384,536	-	1,206,922	640,321	17,918,785	37,150,564	410,891	37,561,455
Direct operating expenses on investment properties:								
- Income generating	2,147	165,669	-	-	-	167,816	-	167,816
- Non-income generating	14,079	109,777	-	-	-	123,856	-	123,856
Fair value loss on long term:								
- Trade receivables	(13,342)	-	-	-	-	(13,342)	-	(13,342)
- Other receivables	(301,950)	-	-	-	-	(301,950)	-	(301,950)



# NOTES TO THE FINANCIAL STATEMENTS

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## 39. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
<b>2024</b>								
<b>Other segment items: (Cont'd)</b>								
Impairment losses on:								
- Trade receivables	492,138	-	-	-	-	492,138	-	492,138
- Other receivables	99,673	-	-	-	5,000	104,673	-	104,673
- Contract assets	478,319	-	-	-	-	478,319	-	478,319
Reversal of impairment losses on:								
- Trade receivables	(930,278)	-	-	-	(419,727)	(1,350,005)	-	(1,350,005)
- Related parties	-	-	-	-	(9,417)	(9,417)	-	(9,417)
Interest expense:								
- Lease liabilities	88,288	-	50,791	-	138,734	277,813	(84,956)	192,857
- Others	5,242,084	386,527	899,395	3,558	5,716,974	12,248,538	(1,252,087)	10,996,451
Property, plant and equipment written off	262	-	-	-	35,078	35,340	-	35,340
Gain on disposal of:								
- Property, plant and equipment	(1,977,658)	-	-	-	(1,968,442)	(3,946,100)	-	(3,946,100)
Share of results of an equity accounted associate	-	-	-	-	-	-	(1,706,200)	(1,706,200)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 39. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
<b>2024</b>								
<b>Other segment items: (Cont'd)</b>								
Interest income:								
- Deposits with licensed banks	(615,879)	-	(161,011)	-	(63,176)	(840,066)	-	(840,066)
- Finance lease receivables	(156,509)	-	-	-	(289)	(156,798)	-	(156,798)
Dividend income:								
- Subsidiary company	(30,000,000)	-	-	-	-	(30,000,000)	30,000,000	-
- Short-term investments	(8,904)	-	-	-	-	(8,904)	-	(8,904)
Gain on termination of lease liabilities	(2,027)	-	-	-	-	(2,027)	-	(2,027)



# NOTES TO THE FINANCIAL STATEMENTS

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## 39. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
<b>2023</b>								
<b>Revenue</b>								
External sales	273,328,626	387,625	310,002	654,172	175,084,906	449,765,331	-	449,765,331
Inter-segment	48,209,964	-	-	-	23,520,227	71,730,191	(71,730,191)	-
Total revenue	321,538,590	387,625	310,002	654,172	198,605,133	521,495,522	(71,730,191)	449,765,331
<b>Results</b>								
Segment results	(15,519,936)	(640,756)	(156,416)	(378,871)	(14,617,499)	(31,313,478)	(1,356,877)	(32,670,355)
Interest income								1,829,621
Dividend income from short-term investments								9,694
Finance cost								(30,831,040)
Share of results of an equity accounted associate								(12,829,216)
Share of results of equity accounted joint ventures								607,445
Consolidated loss before tax								114,029
Income tax expense								(42,938,782)
Consolidated loss after tax								(2,936,332)
								(45,875,114)

# NOTES TO THE FINANCIAL STATEMENTS

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## 39. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
<b>2023</b>								
<b>Assets</b>								
Segment assets	440,711,616	35,229,456	118,732,683	7,117,075	140,220,931	742,011,761	(169,721,078)	572,290,683
Goods and service tax recoverable								222
Tax recoverable								6,444,505
Non-current assets held for sales								1,652,191
Consolidated total assets								580,387,601
<b>Liabilities</b>								
Segment liabilities	208,401,415	15,100,960	77,898,394	7,625,068	150,408,306	459,434,143	(60,598,230)	398,835,913
Deferred tax liabilities								5,004,303
Tax payables								391,619
Consolidated total liabilities								404,231,835



# NOTES TO THE FINANCIAL STATEMENTS

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## 39. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
<b>2023</b>								
<b>Other segment items:</b>								
Capital expenditure:								
- Property, plant and equipment	10,284,661	-	80,964,581	2,090,733	2,619,089	95,959,064	(352,938)	95,606,126
Amortisation of intangible assets	-	-	-	-	100,000	100,000	-	100,000
Depreciation:								
- Investment properties	26,416	552,620	-	-	-	579,036	-	579,036
- Property, plant and equipment	19,957,323	-	280,967	365,790	20,630,475	41,234,555	482,883	41,717,438
Direct operating expenses on investment properties:								
- Income generating	14,562	135,352	-	-	-	149,914	-	149,914
- Non-income generating	-	116,802	-	-	-	116,802	-	116,802
Fair value loss on long term:								
- Trade receivables	(15,006)	-	-	-	-	(15,006)	-	(15,006)
- Other receivables	335,823	-	-	-	-	335,823	-	335,823

# NOTES TO THE FINANCIAL STATEMENTS

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## 39. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
<b>2023</b>								
<b>Other segment items: (Cont'd)</b>								
Impairment losses on:								
- Trade receivables	181,886	-	-	-	415,818	597,704	-	597,704
- Other receivables	574,991	-	-	-	9,217,000	9,791,991	-	9,791,991
Reversal of impairment losses on:								
- Trade receivables	-	-	-	-	(267,803)	(267,803)	-	(267,803)
- Other receivables	(98,620)	-	-	-	-	(98,620)	-	(98,620)
Interest expense:								
- Lease liabilities	15,273	-	30,315	-	167,724	213,312	(9,098)	204,214
- Others	7,308,896	403,620	78,886	1,019	6,434,758	14,227,179	(1,602,177)	12,625,002
Property, plant and equipment written off	-	-	-	-	142,952	142,952	-	142,952
Gain on disposal of:								
- Property, plant and equipment	(6,563,449)	-	-	-	(463,493)	(7,026,942)	-	(7,026,942)
Share of results of an equity accounted associate	-	-	-	-	-	-	(607,445)	(607,445)
Share of results of equity accounted joint ventures	-	-	-	-	5,349	5,349	(119,378)	(114,029)



# NOTES TO THE FINANCIAL STATEMENTS

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39. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
<b>2023</b>								
<b>Other segment items: (Cont'd)</b>								
Interest income:								
- Deposits with licensed banks	(1,440,184)	-	(131,317)	-	(60,753)	(1,632,254)	-	(1,632,254)
- Finance lease receivables	(197,367)	-	-	-	-	(197,367)	-	(197,367)
Dividend income:								
- Short-term investments	(9,694)	-	-	-	-	(9,694)	-	(9,694)
Gain on termination of lease liabilities	-	-	-	-	(6,217)	(6,217)	-	(6,217)

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## 39. SEGMENTAL INFORMATION (CONT'D)

### (a) Major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	Revenue RM	Segment
<b>Group</b>		
<b>2024</b>		
Customer A	48,822,950	Construction and Support Services
Customer B	27,966,296	Construction and Support Services
Customer C	34,471,255	Quarry Operation
<b>2023</b>		
Customer A	83,801,893	Construction and Support Services
Customer B	29,259,024	Construction and Support Services
Customer C	80,739,340	Construction and Support Services

## 40. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financial assets</b>				
<b>Fair value through profit or loss</b>				
Short-term investment	252,919	244,015	68,624	66,246

# NOTES TO THE FINANCIAL STATEMENTS

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## 40. FINANCIAL INSTRUMENTS (CONT'D)

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financial assets (Cont'd)</b>				
<b>Amortised cost</b>				
Finance lease receivables	345,077	756,929	-	-
Trade receivables	56,345,146	55,690,697	-	-
Other receivables	21,072,736	18,142,894	24,620	1,761
Amount due from subsidiary companies	-	-	19,091,236	32,655,777
Amount due from an associated company	2,437,408	3,598,218	104,583	32,150
Amount due from related parties	51,175	378,992	-	-
Amount due from joint ventures	-	2,075,685	-	-
Fixed deposits with licensed banks	37,170,252	55,251,425	287,534	279,995
Cash and bank balances	7,923,568	27,037,763	522,392	643,739
	<u>125,345,362</u>	<u>162,932,603</u>	<u>20,030,365</u>	<u>33,613,422</u>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Trade payables	72,491,368	99,559,705	-	-
Other payables	26,130,759	28,237,812	583,719	742,092
Amounts due to subsidiary companies	-	-	16,144,483	519,493
Amount due to an associated company	82,921	4,867,431	-	-
Amount due to a related party	26,072,778	25,406,791	-	-
Amount due to joint venture	-	1,421,720	-	-
Lease liabilities	2,647,072	3,712,871	43,515	115,782
Bank borrowings	230,888,508	216,136,019	13,207,836	15,434,027
	<u>358,313,406</u>	<u>379,342,349</u>	<u>29,979,553</u>	<u>16,811,394</u>

### (b) Financial risk management

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its credit, liquidity, and interest rate risks. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

# NOTES TO THE FINANCIAL STATEMENTS

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## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (Cont'd)

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

#### (i) Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

#### (a) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two customers which constituted approximately 74% of its trade receivables at the end of the reporting period.

#### (b) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under 40(b)(ii), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

#### (c) Assessment of impairment losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact they are still subject to enforcement activities.

# NOTES TO THE FINANCIAL STATEMENTS

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## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (Cont'd)

#### (i) Credit risk (Cont'd)

#### (c) Assessment of impairment losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

#### Trade receivables and contract assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

#### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contract. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than a year overdue are deemed credit impaired and assess for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over certain period from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

# NOTES TO THE FINANCIAL STATEMENTS

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## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (Cont'd)

#### (i) Credit risk (Cont'd)

#### (c) Assessment of impairment losses (Cont'd)

##### Trade receivables and contract assets(Cont'd)

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

For construction services and services rendered for the other contracts with customers, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have low risk of default as they have a strong capacity to meet their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are disclosed in Note 12 and 16.

##### Finance lease receivables, other receivables, amount owing by an associate and amount owing by a joint venture

The Group applies the 3-stage general approach to measuring expected credit losses for its finance lease receivables and other receivables.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LDG) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Company considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

##### Deposits with licensed banks, cash and bank balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (Cont'd)

#### (i) Credit risk (Cont'd)

#### (c) Assessment of impairment losses (Cont'd)

##### Amount due from subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

The identified impairment loss was immaterial and hence, is not provided for.

##### Financial guarantee contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

#### (ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

# NOTES TO THE FINANCIAL STATEMENTS

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## 40. FINANCIAL INSTRUMENTS (CONT'D)

- (b) Financial risk management (Cont'd)
- (ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total	
					Contractual Cash Outflow RM	Carrying Amount RM
<b>2024</b>						
Trade payables	72,491,368	-	-	-	72,491,368	72,491,368
Other payables	26,130,759	-	-	-	26,130,759	26,130,759
Amount due to an associated company	82,921	-	-	-	82,921	82,921
Amount due to related parties	-	-	-	26,072,778	26,072,778	26,072,778
Lease liabilities	1,426,178	568,200	900,139	-	2,894,517	2,647,072
Bank borrowings	117,373,792	29,153,385	40,837,644	92,840,915	280,205,736	230,888,508
Financial guarantee*	1,415,810	-	-	-	1,415,810	-
	<b>218,920,828</b>	<b>29,721,585</b>	<b>41,737,783</b>	<b>118,913,693</b>	<b>409,293,889</b>	<b>358,313,406</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (Cont'd)

#### (ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

Group	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total	
					Contractual Cash Outflow RM	Carrying Amount RM
<b>2023</b>						
Trade payables	99,559,705	-	-	-	99,559,705	99,559,705
Other payables	28,237,812	-	-	-	28,237,812	28,237,812
Amount due to an associated company	4,867,431	-	-	-	4,867,431	4,867,431
Amount due to related parties	25,406,791	-	-	-	25,406,791	25,406,791
Amount due to joint venture	1,421,720	-	-	-	1,421,720	1,421,720
Lease liabilities	1,569,880	1,725,856	733,950	-	4,029,686	3,712,871
Bank borrowings	116,838,862	28,512,212	39,361,358	64,337,108	249,049,540	216,136,019
Financial guarantee*	3,914,292	-	-	-	3,914,292	-
	<b>281,816,493</b>	<b>30,238,068</b>	<b>40,095,308</b>	<b>64,337,108</b>	<b>416,486,977</b>	<b>379,342,349</b>

\* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries, associate and third party at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (Cont'd)

#### (ii) Liquidity risk (Cont'd)

Company	On demand	1 - 2 years	2 - 5 years	After	Total	Total
	or within 1 year RM	RM	RM	5 years RM	Contractual Cash Outflow RM	Carrying Amount RM
<b>2024</b>						
Other payables	583,719	-	-	-	583,719	583,719
Amount due to subsidiary companies	16,144,483	-	-	-	16,144,483	16,144,483
Lease liabilities	43,515	-	-	-	43,515	43,515
Bank borrowings	8,057,450	3,495,143	1,220,220	1,355,078	14,127,891	13,207,836
Financial guarantee*	263,640,475	-	-	-	263,640,475	-
	288,469,642	3,495,143	1,220,220	1,355,078	294,540,083	29,979,553
<b>2023</b>						
Other payables	742,092	-	-	-	742,092	742,092
Amount due to subsidiary companies	519,493	-	-	-	519,493	519,493
Lease liabilities	75,600	44,100	-	-	119,700	115,782
Bank borrowings	7,178,201	3,653,522	4,306,868	1,750,409	16,889,000	15,434,027
Financial guarantee*	239,067,478	-	-	-	239,067,478	-
	247,582,864	3,697,622	4,306,868	1,750,409	257,337,763	16,811,394

\* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries, associate and third party at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (Cont'd)

#### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined by MFRS 7 since neither their carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is summarised as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Floating rate instrument</b>				
<b>Financial liability</b>				
Bank borrowings	202,433,313	189,284,053	13,207,836	15,434,027

#### Cash flow sensitivity analysis for floating rate instruments

A change of 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's and the Company's loss before tax by RM2,024,333 and RM132,078 (2023: RM1,892,841 and RM154,340), arising mainly as a result of lower/higher interest expenses on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

### (c) Fair value information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value information (Cont'd)

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2024</b>								
<b>Financial assets</b>								
Finance lease receivables	-	-	-	-	345,077	-	345,077	345,077
Short-term investments	252,919	-	-	-	-	-	252,919	252,919
<b>Financial liabilities</b>								
Term loan (floating rate)	-	-	-	-	126,328,900	-	126,328,900	126,328,900
<b>2023</b>								
<b>Financial assets</b>								
Finance lease receivables	-	-	-	-	794,000	-	794,000	756,929
Short-term investments	244,015	-	-	-	-	-	244,015	244,015
<b>Financial liabilities</b>								
Term loan (floating rate)	-	-	-	-	118,768,039	-	118,768,039	118,768,039



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value information (Cont'd)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>Company</b>								
<b>2024</b>								
<b>Financial assets</b>								
Short-term investments	68,624	-	-	-	-	-	68,624	68,624
<b>Financial liabilities</b>								
Term loan (floating rate)	-	-	-	-	8,808,506	-	8,808,506	8,808,506
<b>2023</b>								
<b>Financial assets</b>								
Short-term investments	66,246	-	-	-	-	-	66,246	66,426
<b>Financial liabilities</b>								
Term loan (floating rate)	-	-	-	-	12,072,279	-	12,072,279	12,072,279

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024



## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Fair value information (Cont'd)

#### (i) Fair value of financial instruments carried at fair value

- (a) The fair values of the Group's and the Company's money market fund are determined based on the fund managers' statements at the reporting date.
- (b) There were no transfers between level 1 and level 2 during the financial year.

#### (ii) Fair value of financial instruments not carried at fair value

The fair values, which are for disclosure purposes, have been determined using the following basis:

- (a) The fair values of the Group's and the Company's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (b) The fair values of the Group's and the Company's finance lease receivables and term loan that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:

	Group	
	2024	2023
	%	%
Finance lease receivables	5.65	5.65

## 41. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on gearing ratio that complies with debt covenants and regulatory, if any. The gearing ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 41. CAPITAL MANAGEMENT (CONT'D)

The gearing ratio of the Group at the end of the reporting year was as follows:-

There was no change in the Group's approach to capital management during the financial year.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total loans and borrowings	230,888,508	216,136,019	13,207,836	15,434,027
Less: Cash and equivalents	(45,346,739)	(82,533,203)	(878,550)	(989,980)
Net debt	185,541,769	133,602,816	12,329,286	14,444,047
Total equity	158,424,293	176,155,766	150,376,810	118,477,001
Net gearing ratio	1.17	0.76	0.08	0.12

## 42. CAPITAL COMMITMENTS

	Group	
	2024 RM	2023 RM
Approved and contracted for:		
- Acquisition of property, plant and equipment	7,137,462	14,021,044

## 43. CONTINGENT LIABILITY

- (a) An indirect subsidiary of the Company is a defendant in a legal action involving the alleged specific damages for the sum of RM3,966,065 suffered by landowners due to failure of the subsidiary to carry out construction works on the land without landowners' consent.

The subsidiary had subsequently filed the Writ of Summons and Statement of Claim against the chairman/officer-bearer of the housing committee (third parties) for the breach of contract and two individuals in personal capacity under the tort of deceit and misrepresentation.

The Court has rescheduled the trial dates from 14 May 2025 to 16 May 2025 and 13 June 2025 and 19 June 2025.

Management believes, based on legal advice, that the action can be successfully defended and therefore no provision is required to be made in the financial statements. The legal claim is expected to be settled in the next 12 months.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

## 43. CONTINGENT LIABILITY (CONT'D)

- (b) A direct subsidiary of the Company is a defendant in a legal action involving a claim for the sum of RM1,177,432 in respect of a project in Bandar Bukit Raja 2. The subsidiary disputed the Plaintiff's claims and further initiated a counterclaim against the Plaintiff to claim for the sum of RM3,745,303.

The suit is currently scheduled for trial on 3 October 2025 and 21 October 2025.

Management believes, based on legal advice, that the action can be successfully defended and therefore no provision is required to be made in the financial statements. The legal claim is expected to be settled in the next 12 months.



# LIST OF PROPERTIES

Title Details/ No Postal Address	Description of property / Existing use	Land area / Built-up area (Sf)	Approximate age of building (Years)	Tenure/ Date of expiry of the Lease	Audited Net Book Value as at 31.12.2024 RM	Date of acquisition
1 H.S.(D) 48427, PT 22736, Lot 205A, Kawasan Perindustrian Gebeng Phase II, Mukim Sungai Karang, Daerah Kuantan, Pahang.	A parcel of leasehold industrial land	Land area: 587,096 Built up area: Not applicable	Not applicable	Leasehold (99 years)/ 25 Sep 2115	9,800,007	15 April 2015
2 H.S (M) 23117, P.T.No. 831, Tempat Kota Puteri, Seksyen 6, Bandar Batu Arang, Daerah Gombak, Negeri Selangor Darul Ehsan.  Lot 23, Jalan Kota Puteri 6, Kawasan Industri Seksyen 6, Kota Puteri, Bandar Batu Arang, Daerah Gombak.	A parcel of leasehold industrial land	Land area: 241,391 Built up area: Not applicable	Not applicable	Leasehold (99 years)/ 4 February 2104	7,374,283	12 April 2018
3 H.S.(M) 460, Lot 4777, Mukim Rawang, Tempat Sungai Mangga, Kuang, Daerah Gombak, Selangor.	A parcel of leasehold agriculture land	Land area: 269,679 Built up area: Not applicable	Not applicable	Leasehold (99 years)/ 21 Jul 2069	5,847,631	23 November 2017
4 H.S.(D) 173541, P.T.No.32213, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor Darul Ehsan.  No. 8, Jalan PJU 3/16D, Tropicana Indah, 47410 Petaling Jaya, Selangor Darul Ehsan.	A parcel of leasehold residential land	Land area: 21,269 Built up area: Not applicable	Not applicable	Leasehold (99 years)/ 27 May 2101	5,847,156	29 July 2015

# LIST OF PROPERTIES



Title Details/ No	Postal Address	Description of property / Existing use	Land area / Built-up area (Sf)	Approximate age of building (Years)	Tenure/ Date of expiry of the Lease	Audited Net Book Value as at 31.12.2024 RM	Date of acquisition
5	H.S (M) 23116, P.T.No. 830, Tempat Kota Puteri, Seksyen 6, Bandar Batu Arang, Daerah Gombak, Negeri Selangor Darul Ehsan.  Lot 21, Jalan Kota Puteri 6, Kawasan Industri Seksyen 6, Kota Puteri, Bandar Batu Arang, Daerah Gombak.	A parcel of leasehold industrial land	Land area: 217,679 Built up area: Not applicable	Not applicable	Leasehold (99 years)/ 4 February 2104	5,832,402	12 April 2018
6	H.S(D) 242482, P.T. 10061, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan.  No. 20, Jalan Pekaka 8/3, Sekysen 8, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.	One (1) unit of five (5) storey shop office	Land area: 4,349 Built up area: 21,408	Twenty-three (23) years	Leasehold (99 years)/ 17 December 2106	4,798,464	29 September 2017
7	PN 52716, Lot 20007 Section 95A and Geran 79381, Lot 20006 Section 95A  BO 1-A-08, Menara 2, No.3, Jalan Bangsar, KI Eco City, 59200 Kuala Lumpur.	Whole of 8th floor of a twenty (20) storey building office tower block	Land area: Not applicable Built up area: 4,381	Nine (9) years	Leasehold (99 years)/ 5 December 2113	4,554,535	5 August 2013

# LIST OF PROPERTIES

<b>Title Details/ No Postal Address</b>	<b>Description of property / Existing use</b>	<b>Land area / Built-up area (Sf)</b>	<b>Approximate age of building (Years)</b>	<b>Tenure/ Date of expiry of the Lease</b>	<b>Audited Net Book Value as at 31.12.2024 RM</b>	<b>Date of acquisition</b>
8 Geran 316473, Lot 64445, Town of Glenmarie, District of Petaling, State of Selangor Darul Ehsan.  No.1, Jalan Pengaturcara U1/51E, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.	One (1) unit of three (3) storey bungalow	Land area: 7,158 Built up area: 4,790	Fourteen (14) years	Freehold	3,626,913	4 September 2015
9 HS(D) 279746, Lot No. PT 1981, Town of Glenmarie, District of Petaling, State of Selangor Darul Ehsan.  No. 18, Jalan Pengaturcara, U1/51H, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.	One (1) unit of three (3) storey semi- detached house	Land area: 8,253 Built up area: 3,940	Twelve (12) years	Freehold	3,039,587	4 September 2015
10 HS(D) 164582 PT 40672 Mukim Semenyih, District of Ulu Langat, State of Selangor Darul Ehsan.  No. 55, Jalan Ecohill 3/1B, Setia Ecohill, 43500 Semenyih, Selangor Darul Ehsan.	One (1) unit of double storey zero lot bungalow	Land area: 6,712 Built up area: 3,304	Nine (9) years	Freehold	1,696,931	14 March 2016

# ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

Total Issued Share : 584,731,900 Ordinary Shares  
(including 9,901,900 Treasury Shares as per Record of Depositors as at 28 March 2025)

Types of Shares : Ordinary Share

Voting Rights : One vote per Ordinary Share on a poll

## DISTRIBUTION OF SHAREHOLDINGS AS AT 28 MARCH 2025

Size of Shareholdings	No. of Shareholders	%	No. of Shares <sup>#</sup>	% <sup>#</sup>
1 - 99	7	0.26	95	0
100 to 1,000	334	12.23	191,500	0.03
1,001 to 10,000	1,159	42.45	6,951,555	1.21
10,001 to 100,000	964	35.31	34,444,250	5.99
100,001 – 28,741,499 <sup>**</sup>	265	9.71	495,722,600	86.24
28,741,500 and above <sup>***</sup>	1	0.04	37,520,000	6.53
<b>Total</b>	<b>2,730</b>	<b>100.00</b>	<b>574,830,000</b>	<b>100.00</b>

Note:-

\* Less than 5% of Issued Holdings

\*\* 5% and above of Issued Holdings

# Excluding a total of 9,901,900 ordinary shares bought back by the Company and retained as Treasury Shares as per Record of Depositors as at 28 March 2025

## SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Size of Shareholdings	Direct Interest		Indirect Interest	
	No. of Shares <sup>#</sup>	% <sup>#</sup>	No. of Shares <sup>#</sup>	% <sup>#</sup>
1. Dato' Phum Ang Kia	97,563,750	16.97	150,000*	0.03*
2. Lim Swee Chai	50,381,250	8.77	-	-

Note:-

# Calculated based on the issued share capital excluding a total of 9,901,900 ordinary shares bought back by the Company and retained as Treasury Shares.

\* Indirect Interest by virtue of his children pursuant to Section 59(11)(c) of the Companies Act, 2016.

# ANALYSIS OF SHAREHOLDINGS

## DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

Size of Shareholdings	Direct Interest		Indirect Interest	
	No. of Shares <sup>#</sup>	% <sup>#</sup>	No. of Shares <sup>#</sup>	% <sup>#</sup>
1. Dato' Phum Ang Kia	97,563,750	16.97	150,000*	0.03*
2. Tung Kai Hung	9,875,250	1.72	-	-
3. Yeoh Chong Keat	200,000	0.04	-	-
4. Mohd Zaky Bin Othman	-	-	-	-
5. Jananee Priya A/P Gopal	-	-	-	-
6. Tan Chee Keong	724,600	0.13	-	-

Note:-

<sup>#</sup> Calculated based on the issued share capital excluding a total of 9,901,900 ordinary shares bought back by the Company and retained as Treasury Shares.

\* Indirect Interest by virtue of his children pursuant to Section 59(11)(c) of the Companies Act, 2016.

## THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 28 MARCH 2025)

No.	Name	No. of Shares	%
1.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' PHUM ANG KIA (7003846)	37,520,000	6.53
2.	NG CHUN KOOI	28,233,200	4.91
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SWEE CHAI	26,573,000	4.62
4.	DATO' NEOH SOON HIONG	24,580,600	4.28
5.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN BHD	23,052,000	4.01
6.	PHAM SOON KOK	21,989,750	3.83
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' PHUM ANG KIA (DATO')	19,200,000	3.34
8.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')	16,660,000	2.90
9.	LIM SWEE CHAI	16,008,250	2.79
10.	YEO AN THAI	14,098,350	2.45
11.	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR YAYASAN ISLAM TERENGGANU	13,290,000	2.31
12.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' PHUM ANG KIA	13,050,000	2.27

# ANALYSIS OF SHAREHOLDINGS

## THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 28 MARCH 2025)

No.	Name	No. of Shares	%
13.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR DATO' PHUM ANG KIA (SMART)	12,930,000	2.25
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	11,844,000	2.06
15.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	11,500,000	2.00
16.	LIM KOK TIONG	10,517,150	1.83
17.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI (7000184)	8,467,000	1.47
18.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' PHUM ANG KIA (MY3638)	8,460,000	1.47
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE SING (021)	8,000,000	1.39
20.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	8,000,000	1.39
21.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SWEE CHAI	7,800,000	1.36
22.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TANG VEE MUN (DATUK)	6,889,700	1.20
23.	TUNG KAI HUNG	6,875,250	1.20
24.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH HAI HIN	6,666,400	1.16
25.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' PHUM ANG KIA	6,400,000	1.11
26.	YAP GOON YING	6,367,250	1.11
27.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN. BHD. (MY3933)	5,500,000	0.96
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	5,146,900	0.90
29.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PHAM SOON KOK	5,000,000	0.87
30.	WONG KIN SANG	4,525,000	0.79

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Eighth Annual General Meeting (“28<sup>th</sup> AGM”) of Advancecon Holdings Berhad (“the Company”) will be held at Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 18 June 2025 at 10.00 a.m. for the following purposes:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ fees and other benefits of up to RM320,000 in respect of the period from 19 June 2025 until the conclusion of the next AGM of the Company.
3. To re-elect the following Directors, who retire by rotation in accordance with Clause 125 of the Company’s Constitution and being eligible, have offered themselves for re-election:
  - (a) Yeoh Chong Keat
  - (b) Tung Kai Hung
4. To re-appoint Messrs. UHY Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration.

*(Please refer to  
Explanatory Note 1)*

*Ordinary Resolution 1*

*Ordinary Resolution 2  
Ordinary Resolution 3*

*Ordinary Resolution 4*

### AS SPECIAL BUSINESS

To consider and if thought fit, with or without modifications to pass the following resolutions:

5. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“THE ACT”) AND WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE ACT**

*Ordinary Resolution 5*

“**THAT** pursuant to Section 85 of the Act, read in conjunction with Clause 15 and Clause 16 of the Company’s Constitution, 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 the allotment and issuance of shares.

**THAT** pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad (“Bursa Securities”) allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING



**AND THAT** such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

6. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

*Ordinary Resolution 6*

“**THAT**, subject always to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements (“Listing Requirements”) and the approvals of all relevant authorities (if any), the Board of Directors of the Company be and is hereby unconditionally and generally authorised, to purchase such number of issued 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 interest of the Company provided that:

- (i) the maximum aggregate number of shares which may be purchased and held by the Company must not exceed 10% of the total number of issued shares of the Company at any point in time (“Proposed Share Buy-Back”);
- (ii) the maximum amount to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate of the Company’s retained profits based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Proposed Share Buy-Back; and
- (iii) the shares of the Company so purchased may be cancelled, retained as treasury shares, distributed as dividends or resold on Bursa Securities, or a combination of any of the above, or be dealt with in such manner allowed by the Act and Listing Requirements from time to time.

**THAT** the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed at which time the authority will lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but shall not prejudice the completion of the purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority.

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

**AND THAT** authority be and is hereby unconditionally and generally given to the Directors to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into 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, 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 in accordance with the Act, the provisions of the Constitution of the Company, the Listing Requirements and all other relevant governmental and/ or regulatory authorities.”

7. To transact any other ordinary business for which due notice have been given.

## **BY ORDER OF THE BOARD**

TAN TONG LANG (MAICSA 7045482 / SSM PC NO. 202208000250)  
LOW VEN SIN (MAICSA 7076080 / SSM PC NO. 202208000340)  
Company Secretaries

W.P. Kuala Lumpur  
Dated: 30 April 2025

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

## Notes:

1. In respect of deposited securities, only member whose names appear in the Company's Record of Depositors as at 10 June 2025 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/ her behalf.
2. A member shall not be entitled to appoint more than (2) proxies. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
3. A proxy may but need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the shareholder to speak at the meeting.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares 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 authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
7. The original instrument appointing a proxy be deposited at the Poll Administrator's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Ground Floor, Vertical Podium, Avenue, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively to lodge the proxy appointment electronically via TIIH Online website at <https://tiih.online> not less than 48 hours before the time set for holding this meeting. Kindly refer to the Administrative Guide for the 28<sup>th</sup> AGM for further information on electronic lodgement of Proxy Form.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

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### **Personal data privacy:-**

*By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, participate, speak and vote at this meeting, 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 this meeting and the preparation and compilation of the attendance lists, minutes and other documents relating to this meeting, 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.*

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING

## **Explanatory Notes to Ordinary Resolutions and Special Business:**

### 1. Item 1 of the Agenda - Audited Financial Statements for the Financial Year Ended 31 December 2024

This Agenda item is meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Act do not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward to the shareholders for voting.

### 2. Item 2 of the Agenda - Payment of Directors' fees and other benefits payable

Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Company is requesting for the shareholders' approval for the payment of fees in accordance with the proposed remuneration structure set out below:

	<b>Director's fee (RM)</b>	<b>Meeting allowance (RM)</b>	<b>Business travel, accommodation and etc. (RM)</b>
<b>Independent Non-Executive Chairman</b>	9,000 per month	500 per day	20,000 per annum
<b>Independent Non-Executive Director</b>	6,600 per month	500 per day	20,000 per annum
<b>Independent Non-Executive Director</b>	4,600 per month	500 per day	20,000 per annum

### 3. Item 3 of the Agenda - Re-election of retiring Directors who retire in accordance with Clause 125 of the Company's Constitution

Clause 125 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire by rotation at the AGM of the Company. All the Directors shall retire from office once at least in each three years but shall be eligible for re-election. Yeoh Chong Keat and Tung Kai Hung are standing for re-election as Directors of the Company. Yeoh Chong Keat, who is the Independent Non-Executive Chairman has reaffirmed his independence based on independence criteria applied by the Company which is also used in the yearly assessment of Independent Non-Executive Director's independence and fulfilled the independence definitions as prescribed under the Listing Requirements.

For the purpose of determining the eligibility of the Directors to stand for re-election at this meeting and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nomination Committee has assessed each of the retiring Directors under Ordinary Resolutions 2 and 3, and considered the following:

- (a) the Directors performance and contribution based on the results of the annual evaluation of board;
- (b) the Director's level of contribution to the Board deliberations through their skills, experience and strength in qualities; and
- (c) their abilities to act in the best interests of the Company in decision-making.

Based on the results of the annual evaluation of board, the individual Directors met the performance criteria required of an effective Board. Hence, the Board has recommended the re-election of Yeoh Chong Keat and Tung Kai Hung as Directors of the Company.

# NOTICE OF TWENTY-EIGHTH ANNUAL GENERAL MEETING



## 4. Item 4 of the Agenda - Re-appointment of Auditors

The Audit Committee and the Board have considered the re-appointment of Messrs. UHY Malaysia PLT as auditors of the Company and collectively agreed that they have met the relevant criteria prescribed by Paragraph 15.21 of Listing Requirements.

## 5. Item 5 of the Agenda - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act and waiver of Pre-emptive Rights pursuant to Section 85 of the Act

The proposed Ordinary Resolution 5, allot new shares at any time to such persons, in their absolute discretion, deem fit (“General Mandate”), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the nominal value of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total issued share capital of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) at any time without convening a general meeting as it would be both costs and time consuming to organize a general meeting.

The Company is also seeking shareholders’ approval to waive their statutory pre-emptive rights under Section 85 of the Act and to allow the Company’s Directors to allot new shares without first offering them to existing shareholders in proportion to their holding pursuant to the general mandate.

As at the date of this Notice, no new shares in the Company were issued pursuant to the previous General Mandate granted to the Directors at the 27<sup>th</sup> AGM held on 13 June 2024.

## 6. Item 6 of the Agenda - Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 6, if passed, will provide the mandate for the Company to purchase up to 10% of the total number of issued ordinary shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Please refer to the Share Buy-Back Statement dated 30 April 2025 for further details of the Proposed Renewal of Authority for the Company to purchase its own ordinary shares.

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## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

### 1. **Details of persons who are standing for election as Directors**

No individual is seeking election as a Director at the 28<sup>th</sup> AGM of the Company.

### 2. **Statement relating to general mandate for issue of securities**

Please refer to Explanatory Note 6 of the Notice of 28<sup>th</sup> AGM for information relating to general mandate for issue of securities.

# ADMINISTRATIVE GUIDE FOR THE **TWENTY-EIGHTH ANNUAL GENERAL MEETING (“28<sup>TH</sup> AGM”)**

**Day, Date and Time** : Wednesday, 18 June 2025 at 10.00 a.m.  
**Meeting Venue** : Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana,  
47410 Petaling Jaya, Selangor Darul Ehsan

## **1. REGISTRATION ON THE DAY OF THE 28<sup>TH</sup> AGM**

- Registration will commence at 9.00 a.m. and remain open until the conclusion of the 28<sup>th</sup> AGM or as determined by the Chairman of the meeting.
- Please present your original MyKAD or Passport (for non-Malaysians) to the registration staff for verification purposes.
- Registration must be completed in person. No registration on behalf of another individual will be allowed, even with the original identification document. Shareholders or proxies will be given an identification wristband.

## **2. CORPORATE MEMBERS**

- Corporate members who wish to appoint corporate representatives instead of a proxy, must deposit their original or duly certified certificate of appointment of corporate representative at the Poll Administrator's office, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur on or before the 28<sup>th</sup> AGM.
- Attorneys appointed by power of attorney are required to deposit their power of attorney with the Poll Administrator, Tricor not later than Monday, 16 June 2025 at 10.00 a.m. to attend and vote at the 28<sup>th</sup> AGM.

## **3. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY**

- Only members whose names appear on the Record of Depositors as at 10 June 2025 shall be eligible to attend, participate, speak and vote at the 28<sup>th</sup> AGM or appoint a proxy(ies) and/or the Chairman of the meeting to attend and vote on his/her behalf.
- Shareholder who are unable to attend the 28<sup>th</sup> AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the 28<sup>th</sup> AGM yourself, please do not submit any Proxy Form. You will not be allowed to participate in the 28<sup>th</sup> AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy may be made in hard copy form or by electronic means, and must be received by the Company not later than Monday, 16 June 2025 at 10.00 a.m, or in case of an adjourned general meeting, by the time of the adjourned meeting at which the appointed proxy intends to vote. Otherwise, the Proxy Form will not be considered valid.

# ADMINISTRATIVE GUIDE FOR THE TWENTY-EIGHTH ANNUAL GENERAL MEETING (“28<sup>TH</sup> AGM”)



(i) In Hard copy form

By hand or post to the office of the Poll Administrator, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By Electronic means

Shareholders have the option to submit Proxy Form electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services Login”. Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.</li> <li>Select the corporate event: <b>“ADVANCECON HOLDINGS BERHAD 28<sup>TH</sup> AGM – SUBMISSION OF PROXY FORM”</b></li> <li>Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.</li> <li>Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> <li>Review and confirm your proxy(s) appointment.</li> <li>Print the form of proxy for your record.</li> </ul>
<b>ii. Steps for corporation or institutional shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>Under e-Services Login, the authorised or nominated representative of the corporate or institutional shareholder selects the “Sign Up” button and followed by <b>“Create Account by Representative of Corporate Holder”</b></li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul> <p><i>(Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor Investor &amp; Issuing House Services Sdn Bhd if you need clarifications on the user registration.)</i></p>

# ADMINISTRATIVE GUIDE FOR THE TWENTY-EIGHTH ANNUAL GENERAL MEETING (“28<sup>TH</sup> AGM”)

Procedure	Action
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>• Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>• Select the corporate event: “<b>ADVANCECON HOLDINGS BERHAD 28<sup>TH</sup> AGM – SUBMISSION OF PROXY FORM</b>”</li> <li>• Agree to the Terms &amp; Conditions and Declaration.</li> <li>• Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein.</li> <li>• Prepare the file for the appointment of proxies by inserting the required data.</li> <li>• Login to TIIH Online, select corporate event: “<b>ADVANCECON HOLDINGS BERHAD 28<sup>TH</sup> AGM – SUBMISSION OF PROXY FORM</b>”.</li> <li>• Proceed to upload the duly completed proxy appointment file.</li> <li>• Select “Submit” to complete your submission.</li> <li>• Print the confirmation report of your submission for your record.</li> </ul>

## 4. POLL VOTING

- The voting at the 28<sup>th</sup> AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to facilitate the polling process.
- Upon completion of the voting session for the 28<sup>th</sup> AGM, the appointed Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

## 5. NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gift or food voucher for the AGM.

## 6. ENQUIRY

If you have any enquiry prior to the meeting, you may contact the following persons during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays):

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD		
<b>Telephone Number</b>	General Line	603-2783 9299
<b>Contact Person</b>	Amirul Iskandar	+603-2783 9279 mohammad.amirul@vistra.com
	Syafiqul Hafidz	+603-2783 9024 syafiqul.hafidz@vistra.com
<b>Fax Number</b>	: +603-2783 9222	
<b>Email</b>	: is.enquiry@vistra.com	

**FORM OF PROXY**

CDS Account No.	
No. of Shares Held	

I/We, \_\_\_\_\_

NRIC/Passport/Company No. \_\_\_\_\_

of \_\_\_\_\_

and telephone no./ email address \_\_\_\_\_

being a member/members of Advancecon Holdings Berhad (the "Company"), hereby appoint

<b>Proxy 1</b> <b>Full Name and Address (in Block Letters)</b>	<b>NRIC/Passport No.</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>
Email Address/ Contact No.			

\*and/ or failing him/ her

<b>Proxy 2</b> <b>Full Name and Address (in Block Letters)</b>	<b>NRIC/Passport No.</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>
Email Address/ Contact No.			

or failing \*him/ her, the CHAIRMAN OF THE MEETING as \*my/ our \*proxy/ proxies, to vote for \*me/ us and on \*my/ our behalf at the Twenty-Eighth Annual General Meeting ("28<sup>th</sup> AGM") of the Company to be held at Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 18 June 2025 at 10.00 a.m.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at \*his/ her discretion.

<b>NO.</b>	<b>RESOLUTIONS</b>	<b>FOR</b>	<b>AGAINST</b>
Ordinary Resolution 1	To approve the payment of Directors' fees and other benefits of up to RM320,000.00 in respect of the period from 19 June 2025 until the conclusion of the next AGM of the Company		
Ordinary Resolution 2	To re-elect Yeoh Chong Keat as Director		
Ordinary Resolution 3	To re-elect Tung Kai Hung as Director		
Ordinary Resolution 4	To re-appoint Messrs. UHY Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 5	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and waiver of Pre-emptive Rights pursuant to Section 85 of the Act		
Ordinary Resolution 6	Proposed Renewal of Share Buy-Back Authority		

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If no specific instruction is given on the voting, the proxy/ proxies will vote or abstain from voting on the resolution at his/her discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

No. of Shares held	
CDS Account No.	
Tel No. (during office hours)	

\_\_\_\_\_  
\*Signature/Common Seal of Shareholder

Contact no.:

\* Strike out whichever not applicable

Notes:

1. In respect of deposited securities, only member whose names appear in the Company's Record of Depositors as at 10 June 2025 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/ her behalf.
2. A member shall not be entitled to appoint more than (2) proxies. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
3. A proxy may but need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the shareholder to speak at the meeting.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares 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 authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
7. The original instrument appointing a proxy be deposited at the Poll Administrator's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Ground Floor, Vertical Podium, Avenue, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively to lodge the proxy appointment electronically via TIIH Online website at <https://tiih.online> not less than 48 hours before the time set for holding this meeting. Kindly refer to the Administrative Guide for the 28<sup>th</sup> AGM for further information on electronic lodgement of Proxy Form.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

*Personal Data Privacy:-*

*By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 28<sup>th</sup> AGM dated 30 April 2025.*

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Place Stamp Here

The Poll Administrator of the meeting for  
**ADVANCECON HOLDINGS BERHAD**  
**(Registration No. 199701011469 (426965-M))**

Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A, Vertical Business Suite  
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

**ADVANCECON**

**ADVANCECON HOLDINGS BERHAD**

(Registration No. 199701011469 (426965-M))

(Incorporated in Malaysia)

# REQUEST FORM

To : ADVANCECON HOLDINGS BERHAD  
No. 16, 18 & 20, Jalan Pekaka 8/3  
Seksyen 8, Kota Damasara  
47810 Petaling Jaya  
Selangor Darul Ehsan

Tel : 03-6157 9563 ext 306  
Fax : 03-6156 0290  
Email : sy\_chan@advancecon.com.my

Please send \*me/us the hard copies of Annual Report 2024 and Statement

NAME OF SHAREHOLDER : \_\_\_\_\_  
\*NRIC NO./ PASSPORT NO./ COMPANY NO. : \_\_\_\_\_  
CDS ACCOUNT NO. : \_\_\_\_\_  
ADDRESS : \_\_\_\_\_  
CONTACT NO. : \_\_\_\_\_

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Date

Notes:

1. The printed copy will be sent to you as soon as reasonably practicable by ordinary post upon receipts of your request.
2. The Annual Report can be downloaded from <http://www.advancecon.com.my>

\* Strike out whenever not applicable

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Place Stamp Here

The Poll Administrator of the meeting for  
**ADVANCECON HOLDINGS BERHAD**  
**(Registration No. 199701011469 (426965-M))**

Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A, Vertical Business Suite  
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

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**ADVANCECON**

**ADVANCECON HOLDINGS BERHAD**

(Registration No. 199701011469 (426965-M))

No. 16,18 & 20 Jalan Pekaka 8/3,  
Seksyen 8, Kota Damansara,  
47810 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia.  
Tel : +603 6157 9563  
Fax : +603 6157 0469  
Email : [info@advancecon.com.my](mailto:info@advancecon.com.my)

[www.advancecon.com.my](http://www.advancecon.com.my)

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 5281  
**COMPANY NAME** : ADVANCECON HOLDINGS BERHAD  
**FINANCIAL YEAR** : December 31, 2024

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Advancecon Holdings Berhad (“Advancecon” or “the Company”) is led by an experienced, competent and diversified Board of Directors (“Board”) that is made up of Directors with appropriate competencies, knowledge, skills and experience from diverse backgrounds. The Directors collectively, set the Company's strategic objectives and ensure that the necessary resources are in place for the Company to meet its objectives and review management performance.</p> <p>The Board is responsible for the oversight and overall management of the Company. The Executive Directors are responsible to manage the day-to-day operations of the business, implementation of Board policies and making strategic decisions for the business while the Independent Non-Executive Directors (“INEDs”) contribute their independent judgement to the Board on issues of strategy and performance.</p> <p>The Board is guided by its Board Charter and the Code of Conduct and Ethics (“Code”) which clearly sets out the Board's roles and responsibilities and the standard of conduct expected of Directors respectively are available on the Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a>.</p> <p>Board Committees, which operate within its respective defined Terms of Reference (“TOR”), have been established to assist the Board in the discharge of its specific duties and responsibilities. Hence, the Chairman / Chairperson of the respective Committees report to the Board the outcome of deliberations of each Committee's meetings.</p> <p>In order to ensure the effective discharge of the Board's functions and responsibilities in meeting the objectives of the Company and of the Group, the Board had carried out the following activities during the financial year ended 31 December 2024 (“FY2024”):</p>

	<p>(a) The Chairman ensures that decisions are taken on a sound and well-informed basis, including ensuring that all strategic and critical issues are considered by the Board and that Directors receive the relevant information on a timely basis.</p> <p>(b) The Management’s performance under the leadership of the Group Chief Executive Officer (“Group CEO”) is monitored through a yearly performance evaluation.</p> <p>(c) The Board through the Nomination Committee (“NC”) is responsible to ensure the Board is represented by individuals with an optimal mix of qualifications, skills and experience.</p> <p>(d) Through the Risk Management and Sustainability Committee (“RMSC”), the Board oversees the risk management framework of the Group. The RMSC assists the Board to fulfil its responsibilities with regards to risk governance and risk management in order to manage the overall risks exposure of the Group. The Audit Committee (“AC”) reviews the risk management and internal controls of the Group to ensure, as far as possible, to safeguard shareholders’ interest and the Group’s assets.</p> <p>(e) The Board maintains an open communication policy that enables the Board and its Management to communicate effectively with shareholders and members of the general public. Whenever appropriate, the Board or the relevant management personnel will respond to queries from the stakeholders on a timely manner.</p> <p>(f) The Board ensures that financial statements prepared for each financial year have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year. In preparing the financial statements the Board has:</p> <ul style="list-style-type: none"> <li>• Ensure adherence to accounting policies and applied them consistently.</li> <li>• Made judgements and estimates that are reasonable and prudent.</li> <li>• Ensure that all applicable accounting standards have been adhered to.</li> <li>• Ensure financial statements are prepared on the going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group has adequate resources to continue in operations for the foreseeable future.</li> </ul>
<p><b>Explanation for departure</b></p>	<p>:</p>

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Mr. Yeoh Chong Keat is the Independent Non-Executive Chairman of the Company. He is responsible for leadership of the Board and presides over the meetings of the Board to ensure that the Board perform its roles and responsibilities effectively at the same time and discharges its fiduciary duties diligently.</p> <p>Other than leading the Board meetings and meetings of shareholders, the Chairman ensures that all relevant issues for the successful stewardship of the Group's business are on the Board agenda to facilitate effective decision making by the Board.</p> <p>During the FY2024, the Chairman had:</p> <ul style="list-style-type: none"><li>(a) Provided leadership for the Board so that the Board could perform its roles and responsibilities effectively and setting its agenda. The Chairman is also responsible for creating an environment for open, robust and effective debate. This includes ensuring, via the Company Secretary, that the Directors receive accurate, timely and clear information.</li><li>(b) Set the Board agenda with Company Secretary and ensured that Board members had received complete and accurate information in a timely manner.</li><li>(c) Led Board meetings and discussions.</li><li>(d) Managed boardroom dynamics by promoting a culture of openness and debate; encouraged active participation and allowed dissenting views to be freely expressed.</li><li>(e) Acted as the conduit between Management and the Board, although all Directors should have the opportunity to get to know key members of the Management team.</li><li>(f) Ensured appropriate steps are taken to provide effective communication with stakeholders and that their views were communicated to the Board as a whole.</li><li>(g) Led the Board in establishing and monitoring good corporate governance practices in the Company.</li></ul>

	(h) Chaired the Annual General Meetings (“AGM”) and Extraordinary General Meeting (“EGM”) of the Company and providing clarification on issues raised by shareholders.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

**Practice 1.3**

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The positions of Chairman and Group CEO of Advancecon are held by two different individuals. The Independent Non-Executive Chairman, Mr. Yeoh Chong Keat leads and manages the Board in its collective oversight of management by focusing on governance and compliance whereas the Group CEO, Dato' Phum Ang Kia manages the business strategy and day-to-day operations of the Company.</p> <p>The roles of Chairman and the Group CEO are segregated and clearly defined by their individual position descriptions. The distinct and separate roles of the Chairman and Group CEO, with their clear division of roles and responsibilities have ensured a balance of power and authority, such that no one individual has unfettered decision-making powers.</p> <p>The roles of the Chairman and Group CEO are defined in the Board Charter which is available on the Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
<b>Application</b>	: Departure
<b>Explanation on application of the practice</b>	:
<b>Explanation for departure</b>	: The Chairman of the Board, Mr. Yeoh Chong Keat is also the Chairman of NC, and the member of AC and Remuneration Committee ("RC"). The NC, AC and RC presently comprises two other INEDs, En. Mohd Zaky Bin Othman and Ms. Jananee Priya A/P Gopal.  The Chairman is mindful of his differing roles on the Board, NC, AC and RC. All issues before recommending to the Board are thoroughly deliberated at the committee levels which involve the participation of the other two INEDs. All recommendations by the Committees to the Board have been arrived at unanimously and this should eliminate the risk of self-review and absolute control over decision making by one person.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:
<b>Timeframe</b>	:

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Presently, the Board is assisted by two Company Secretaries who are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016 ("the Act"). Both of them are members of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>During the FY2024, the Company Secretaries had performed the following tasks:</p> <ul style="list-style-type: none"><li>(a) Supported the Board and played an important role to facilitate the overall compliance with the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and other relevant laws and regulations by updating the Board at the Board meetings.</li><li>(b) Assisted the Board and Board Committees to function effectively and in accordance with their respective TOR and best practices and ensured adherence to the existing Board policies and procedures.</li><li>(c) Attended Board Meetings and ensured the proper conduct of the meetings. Deliberations and decisions were accurately minuted and kept in the minutes books.</li><li>(d) Managed processes pertaining to the annual shareholders meeting.</li><li>(e) Served as a focal point for stakeholders' communication and engagement on corporate governance issues.</li></ul> <p>The roles and responsibilities of the Company Secretaries are set out in the Company's Board Charter, which is available on the Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a>.</p> <p>The Company Secretaries had attended the necessary training programmes, conferences, seminars and/or forums organised by the Companies Commission of Malaysia, MAICSA, the Securities Commission Malaysia ("SC") and Bursa Securities as well as in house training so as to keep themselves abreast with the latest changes in laws</p>

	and regulatory requirements that are relevant to their profession and to provide the necessary advisory role to the Board.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers are forwarded to each director no later than seven days before the date of the meeting.</p> <p>This is to ensure that the Board papers comprising issues to be discussed, supporting information and documentations are provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board papers and seek for any clarification or further explanation from the Management and the Company Secretaries. The deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretaries.</p> <p>The Board has access to all information within the Company to enable them to discharge their duties and responsibilities and is supplied in a timely basis with information and reports on financial, regulatory and audit matters by way of Board papers for informed decision making.</p> <p>Senior Management and/or external consultants may be invited to attend Board Meetings to advise and/or furnish the Board with relevant information.</p> <p>To facilitate smooth operation of the businesses of the Group, follow up actions requested by the Board or Board Committees pertaining to the decisions of the Board or the Board Committees, are addressed by the Management within the timeline given.</p> <p>All proceedings of Board meetings were minuted. The minutes would be distributed to all Directors on a timely manner and tabled for confirmation at the next meeting. Signed copies of the minutes were kept in the minutes book maintained by the Company Secretaries.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

**Practice 2.1**

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Board's strategic intent, roles and responsibilities in discharging its fiduciary and leadership functions. The Board Charter serves as a main source of reference and also provides insights to prospective Board members and Senior Management. It clearly explains the relationship and interaction between the Board, Board Committees, Chairman and Executive Directors. Hence, the Board Charter is reviewed periodically and updated in accordance with the needs of the Company to ensure its effectiveness and consistency with the Board's objectives and corporate vision.</p> <p>The Board Charter was reviewed by the Board periodically. The current Board Charter is accessible for reference on the Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is committed in maintaining a corporate culture which engenders ethical conduct. The Board has formalised the Code of Conduct and Ethics ("Code") as a guidance to be followed by Directors and all employees with regards to the Group's standard of integrity and rules of conduct to be observed in the performance of work and business practices.</p> <p>The core sections of the Code covered the following principles:</p> <ul style="list-style-type: none"><li>• Act with Integrity and Ethics</li><li>• Protect Advancecon Assets and Intellectual Property</li><li>• Comply with Laws and Regulations</li><li>• Working with One Another</li></ul> <p>The Board will periodically review the Code when necessary to ensure it remains relevant and appropriate. The details of the Code are available for reference at the Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Code formalised by the Board includes the Whistle Blowing Policy to provide an avenue to facilitate employees of the Group or members of the public to raise any concerns or disclose any improper conduct within the Group and to take appropriate action to resolve it effectively.</p> <p>Whistle-blowers can report any improper conduct by email to the AC Chairman, En. Mohd Zaky Bin Othman at mohd_zaky@advancecon.com.my or post it to Advancecon's office.</p> <p>The Whistle Blowing Policy and the Anti-Bribery and Corruption Policy Statement are available on the Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board sets out and oversees the sustainability governance structure consisting of vision, mission, core value and sustainability strategy.</p> <p>The governance structure focuses mainly on key areas like the context of the Economic, Environmental and Social and report the progress of these key areas through the collection and monitoring of data.</p> <p>The RMSC is to supports the Board by overseeing the management of principal business risks and significant/material economic, environmental and social risks.</p> <p>The Group’s sustainability management is driven by the Sustainability Steering Committee who is responsible for coordinating daily activities and implement company-wide sustainability initiatives.</p> <p>The sustainability governance structure and roles of Sustainability Steering Committee are outlined under the Sustainability Statement in the Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Company has an established stakeholder engagement practice for respective stakeholder groups, which drives long-term sustainability by providing opportunities to further align practices with societal needs and expectations.</p> <p>Details pertaining to engagement platforms and how the Group engages its stakeholders are available in the "ENGAGING OUR STAKEHOLDERS" section of our Sustainability Statement.</p> <p>Advancecon' Sustainability Report complies with Bursa Malaysia's Sustainability Reporting Framework and included in the Annual Report ("AR"). The AR is available for reference at the Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.3**

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The Board continuously keep themselves abreast with and understanding to the sustainability agendas which are relevant to the Company and its business through periodical updates by the SC.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

**Practice 4.4**

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The annual assessment reviews the effectiveness of the Board including the role of the Board in the Company’s operational business and risk environment and ability to act in the best interest of the Company to achieve its strategic objectives, including embedding sustainability in the Company’s strategies and operations.</p> <p>The Senior Management implements strategies and reports on performance of processes and controls, and management targets to ensure alignment and effective implementation of the Group’s strategic initiatives in pursuing its business goals of which sustainability aspects are considered.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

*Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.*

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>RMSC leads the Sustainability Working Committee (“SWC”) and provides direction, oversight and guidance throughout the Group to implement sustainability-related projects.</p> <p>The key responsibilities of SWC are as follow:</p> <ul style="list-style-type: none"><li>(i) to analyse the management of the principal business risks and significant/material economic, environmental and social risks; and</li><li>(ii) to oversee the stakeholder engagement and its outcomes addressing economic, environmental, social and governance matters with regard to the strategic sustainability goals.</li></ul>

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.1**

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NC annually assesses the experience, the tenure, and diversity required collectively for the Board and ensures that it is periodically refreshed so that it can discharge its duties effectively.</p> <p>The NC annually reviews the performance of all directors including those seeking re-election based on competency, preparedness and independence (for independent directors). Only those with satisfactory evaluation are recommended to the Board for re-election.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied		
<b>Explanation on application of the practice</b>	:	The current Board comprise of five members with three being INEDs.		
		Designation	Number of Directors	Percentage (%)
		Executive Directors	2	40.00
		Independent and Non-Executive Directors	3	60.00
Total	5	100.00		
<b>Explanation for departure</b>	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
<b>Measure</b>	:			
<b>Timeframe</b>	:			

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>During the FY2024, none of the Independent Directors have served as Independent Director for a cumulative term of nine years or more. Nonetheless, Independent Directors who have served the Company for a cumulative term of more than nine (9) years may only continue to serve on the Board as a Non-Independent Non-Executive Director.</p> <p>In the event such Director is to be retained as an Independent Director, the Board would have to justify in the notice convening the Annual General Meeting ("AGM") and seek shareholders' approval the retention of such Independent Director at every AGM through a two-tier voting process.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.4 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

*Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.*

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises that having a range of different skills, backgrounds and experiences is essential to ensure effective decision making and governance in the best interests of the Company.</p> <p>The normal selection criteria of a Director are based on an effective blend of competencies, skills, experience and knowledge so as to strengthen the Board.</p> <p>The NC is responsible for identifying, assessing and recommending the right candidates to the Board as well as reviewing the composition and performance of the Board. In making its recommendations, the NC will consider, among others, the mix of skills, knowledge, experience, diversity (including gender diversity), background, integrity, competence, time commitment and independence in order to meet the strategic objectives and business requirements of the Group.</p> <p>During the FY2024, the diversity for the Board and Senior Management are as follows:</p> <p><u>Board of Directors</u> Gender: Male (4); Female (1) Age: 30-39 (0); 40-49 (1); 50-59 (0); 60 &amp; above (4) Ethnicity: Malay (1); Chinese (3); Indian (1)</p> <p><u>Senior Management</u> Gender: Male (2); Female (0) Age: 30-39 (0); 40-49 (1); 50-59 (1); 60 &amp; above (0) Ethnicity: Malay (0); Chinese (2); Indian (0)</p> <p>Having assessed the size, composition and diversity of the Board annually, the NC and the Board opined that the existing Board has the requisite competencies and capacity to effectively discharge its functions and responsibilities.</p>

<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.6**

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	In identifying candidates for appointment of Independent Directors, the Board accepts recommendations from existing Board members, Management or major shareholders. In addition, the Company will also engage the Institute of Corporate Directors Malaysia (“ICDM”) as an independent consultant to source suitably qualified candidates for future Board appointments.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The profiles of Directors are published in the Annual Report 2024 and on Company's website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any.</p> <p>The reasons for the re-election of the retiring Directors for re-election are also set out in the explanatory notes to the notice of the 28<sup>th</sup> Annual General Meeting of the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 5.8**

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The NC is made up entirely of INEDs in compliance with Paragraph 15.08A(1) of the MMLR.</p> <p>The NC is chaired by Mr. Yeoh Chong Keat, who is the Independent Non-Executive Chairman of the Group.</p> <p>The composition of the NC can be found in the Annual Report 2024 under Corporate Information.</p> <p>The TOR of the NC was reviewed by the NC and approved by the Board periodically. The TOR of the NC can be viewed at the Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a>.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.9

The board comprises at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Currently, our Board members comprise of one female Director. The Board recognises the importance of diversity in its composition in ensuring its effectiveness and good corporate governance and the Board endeavours to fulfil gender diversity expected by Revised Malaysian Code on Corporate Governance 2021 (“MCCG”).</p> <p>Nonetheless, the main criteria of the Advancecon Board’s candidate is meritocracy based on relevant qualifications, experience, knowledge and expertise that will enhance the Board’s value.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of MCCG on the establishment of boardroom and workforce gender diversity policy. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments based on merit, and against objective criteria, with due regard given to the benefits of diversity on the Board, including gender, age and ethnicity. The Board recognises diversity in the boardroom as an essential component of a good corporate governance.</p> <p>The NC will evaluate, assess and recommend the right candidate to the Board based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group. Equal opportunity is given and the Board does not practise discrimination of any form, whether based on age, gender, race and religion throughout the organisation. Nevertheless, the Board will evaluate and match the criteria of the potential candidate as well as considering the boardroom diversity for any new proposed appointment of directors.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: During the FY2024, the NC conducted a formal and objective internal annual assessment of the Board performance as a whole, the Board Committees and individual Directors, based on self and peer assessment which was undertaken internally. The assessment covers the size and composition of the Board as well as skill mix, industry experience, roles and responsibilities, and effectiveness of the Board, Board Committees and individual Directors based on a set of questionnaires and rating system.  Below are the criteria used to assess Board, Board Committees and individual Directors respectively during the financial year:  (a) Directors' self-assessment <ul style="list-style-type: none"><li>• knowledge about the Group's vision and mission;</li><li>• individual roles, responsibilities and functions including but not limited to participation / deliberation at Board meetings, knowledge about the Group's financial status / performance and the state of affairs of the Group;</li><li>• competency and contribution.</li></ul> (b) Board and Board Committees' assessment <ul style="list-style-type: none"><li>• Board mix authority and composition to function effectively;</li><li>• quality of information and decision-making process with regards to financial performance and audit, risk management, internal control and communication with stakeholders.</li></ul> The NC has referred to the criteria of "Independence" used in the definition of "independent directors" prescribed under the MMLR and MCCG when assessing the independency of INED.

	<p>The results of the assessments were compiled by the Company Secretary for deliberation and recommendation at the NC meeting and the NC will subsequently table the matter to the Board for their consideration.</p> <p>The Board had undertaken the annual evaluation of themselves, its committees and each individual director for FY2024. The Board was satisfied with the outcome of the evaluation and was of the view that the internal evaluation was adequate to determine the overall effectiveness of the Board and individual Directors.</p> <p>The Board recognises that it is important that all Directors should be able to dedicate sufficient time to the Company to discharge their responsibilities effectively.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The RC is authorised by the Board to establish a formal and transparent procedure for developing a policy on Executive Directors' remuneration.</p> <p>The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board offers a competitive remuneration package in order to attract, develop and retain talented individuals to serve as Directors.</p> <p>The RC's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for the Executive Directors that is fairly guided by market norms and industry practice. The RC also recommends the Executive Directors' remuneration and benefits based on their individual performances and that of the Group.</p> <p>The determination of the remuneration for INED is a matter of the Board as a whole. The level of remuneration for INED reflects the amount paid by other comparable organisations, adjusted for the experience and levels of responsibilities undertaken by the particular INED concerned.</p> <p>The remuneration package of INED will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his individual remuneration. The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the AGM based on recommendations of the Board.</p>

	<p>The remuneration components of key Senior Management shall consist of basic salary, performance-based bonus, benefits-in-kind and other incentives (where applicable). The remuneration of key Senior Management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise and skills.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In line with the best practices of MCCG, the Board has set up a RC which comprises exclusively of INEDs in order to assist the Board for determining the remuneration of Directors' and Senior Management.</p> <p>Amongst the RC's functions and duties outlined in its TOR are:</p> <ul style="list-style-type: none"><li>(a) To provide assistance and implement the Company's policies and procedures on remuneration including reviewing and recommending matters relating to remuneration and key performance indicators of the Directors and Senior Management.</li><li>(b) To ensure the Group's remuneration package and key performance indicators are appropriately established after taking into account the demands, complexities and performance of the Company as well as skills and experience required and are aligned with our Group's vision, mission, core values and business objectives, market trends and information sources on the rates of salary for similar jobs in selected group of comparable companies.</li><li>(c) To ensure a fair differential between the remuneration of Directors and Senior Management and other levels of management is maintained.</li><li>(d) To review and determine the benefits in kind for the Directors and Senior Management.</li><li>(e) To provide assistance to the Board on matters relating to, amongst others, and ensure alignment of management grievances pertaining to compensation, compensation strategy, management development and other compensation arrangements in line with market practice.</li></ul>

	<p>(f) To recommend the engagement of external professional advisors to assist and/or advise the Committee and the Board, on remuneration matters, where necessary.</p> <p>(g) To ensure corporate accountability and governance in respect of the Board remuneration and compensation.</p> <p>(h) To perform such other functions as may be requested by the Board.</p> <p>(i) To provide a report summarising its activities for the year in compliance with the MCCG, MMLR of Bursa Malaysia Securities Berhad and any relevant regulations. The report can be incorporated into the Corporate Governance Statement in the Annual Report or included as a separate report.</p> <p>The present members of the RC are as follows:</p> <ul style="list-style-type: none"> <li>• Ms. Jananee Priya A/P Gopal, Chairperson (INED)</li> <li>• Yeoh Chong Keat, Member (INED)</li> <li>• Mohd Zaky Bin Othman, Member (INED)</li> </ul> <p>The TOR of the RC was reviewed by the RC and approved by the Board periodically. The TOR of the RC can be viewed at the Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a>.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.1**

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	The details of the Directors' Remuneration on a named basis and paid by the Company and its subsidiaries (including the components of directors' fees, salary, bonus, benefits in-kind and other emoluments) during the FY2024 were disclosed, as below:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Yeoh Chong Keat	Independent Director	101	3					104							
2	Dato' Phum Ang Kia	Executive Director			1,147	47	28	144	1,366							
3	Tung Kai Hung	Executive Director									550	22	23	23	618	
4	Mohd Zaky Bin Othman	Independent Director	72	3					75							
5	Jananee Priya A/P Gopal	Independent Director	48	3					51							
6	Tan Chee Keong (Appointed on 1 August 2024 and resigned on 16 April 2025)	Executive Director			296	30	6	39	371							

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Disclosure on the remuneration of the top five Senior Management in the bands of RM50,000 is not provided in the Corporate Governance Overview Statement of the Company's Annual Report.</p> <p>At this juncture, the Board is of the opinion that the disclosure on the remuneration of the top five Senior Management on a named basis would not be in the best interest of the Group for confidentiality concerns purposes.</p> <p>The Board will ensure that the remuneration of the Senior Management commensurate with their duties and responsibilities and the performance of the Company.</p> <p>Based on the above rationale, the Company is not in favour of disclosing the remuneration of the top five Senior Management on a named basis</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.				
2	Input info here	Input info here	Choose an item.	Choose an item.				
3	Input info here	Input info here	Choose an item.	Choose an item.				
4	Input info here	Input info here	Choose an item.	Choose an item.				
5	Input info here	Input info here	Choose an item.	Choose an item.				

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 8.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here						
2	Input info here	Input info here						
3	Input info here	Input info here						
4	Input info here	Input info here						
5	Input info here	Input info here						

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.1**

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The roles of the Chairman of the Board and the Chairman of the AC are assumed by different Directors.</p> <p>The Chairman of the Board is Mr. Yeoh Chong Keat while the Chairman of the AC is En. Mohd Zaky Bin Othman.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 9.2**

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	None of the members of the AC was a former audit partner during FY2024.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The role of the AC in relation to the external auditors, Messrs. UHY Malaysia PLT ("EA") is found in the AC Report included in the Annual Report. Management maintains a transparent working relationship with EA in seeking professional advice and ensuring compliance with the applicable accounting standards.</p> <p>The AC will meet with EA without the presence of Management to ensure that the independence and objectivity of EA are not compromised and matters of concerns expressed by the AC will be raised at that meeting.</p> <p>In November 2024, EA presented the Audit Planning Memorandum ("APM") to the AC and they have given written assurance and confirmation that they are and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>Prior to the re-appointment of EA for the forthcoming AGM, the AC had undertaken an annual assessment of the quality of audit which encompassed the performance of EA, the quality of their communications with the AC and the Company and their independence, objectivity and professionalism. After the review, the AC was satisfied with the suitability of EA based on their quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied that the provision of the non-audit services provided by EA to the Company for the FY2024 did not in any way impair their objectivity and independence as external auditors of the Company.</p> <p>Having taken into consideration of the above, the Board, through the AC opined that the EA are independent and suitably qualified to act.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The AC consists of three members, who are all Independent Non-Executive Directors ("INED").</p> <p>The members of the AC are as follows:</p> <ul style="list-style-type: none"><li>• Mohd Zaky Bin Othman, Chairman (INED)</li><li>• Yeoh Chong Keat, Member (INED)</li><li>• Jananee Priya A/P Gopal, Member (INED)</li></ul> <p>All the three INEDs have satisfied the independence test based on the criteria set out in the MMLR.</p> <p>The TOR of the AC was reviewed by the AC and approved by the Board periodically. The TOR of the AC can be viewed at the Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a>.</p>

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Members of the AC are financially literate and have diverse background and collectively, possess a wide range of necessary skills to discharge their duties to be able to understand matters under the purview of the AC including the financial reporting process.</p> <p>During the year, members of the AC were guided on the key audit matters, significant audit issues highlighted in the Audit Planning Memorandum and briefed by the external auditors on financial reporting and other updates.</p> <p>The Quarterly Interim Financial Reports are briefed to the members of the AC, discussed and deliberated amongst the members before the said Report was recommended to be tabled to the Board for approval.</p> <p>The AC members had attended training programmes to keep abreast of relevant industry issues, market development and trends including accounting and auditing standards to enable them to sustain their active participation in the functions of the AC.</p> <p>Details of the training and seminars attended by the Directors during FY2024 are set out under the Corporate Governance Overview Statement in the Annual Report 2024.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board recognises the importance of a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets. The Board acknowledges its primary responsibility to ensure that risks in the Group are identified, measured and managed with appropriate system of risk management and internal controls, and to ensure that the effectiveness, adequacy and integrity of the risk management and internal control systems are reviewed on an on-going basis.</p> <p>The Group has in place an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of business objectives for the year and up to the date of this report. The top risks are reported to the Board on regular basis for their deliberation.</p> <p>The RMSC continuously evaluates and monitors the significant risks relevant to the Group, appraises and assesses the efficacy of controls implemented to mitigate those risks through a formalised monitoring and reporting process. Reviews are conducted by the RMSC on a regular basis with additional reviews as and when required.</p> <p>Internal control and risk-related matters which require the attention of the Board were recommended by the RMSC to the Board for its deliberation and approval and matters or decisions made within the RMSC's purview were escalated to the Board for its notation.</p> <p>An overview of the state of risk management and internal control within the Group governed by the Risk Management and Internal Control Framework is set out in the Statement on Risk Management and Internal Control ("SORMIC") of the AR.</p>
<b>Explanation for departure</b>	:	

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The features of the Group's risk management and internal control framework, and the adequacy and effectiveness of this framework are disclosed under the SORMIC in the Annual Report 2024.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

**Practice 10.3 - Step Up**

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board had outsourced the internal audit function to an independent professional service firm, namely, Sterling Business Alignment Consulting Sdn Bhd which provides an independent assurance to the Board on the efficiency, effectiveness and adequacy of the Group's system of internal controls.</p> <p>The internal audit functions are carried out in accordance with the risk based internal audit plan approved by the AC. The internal audit plan is developed taking into consideration the Group's latest risk register, risk matrix, business environment, activities, and concerns of the Management and the Board. The Internal Auditors reports directly to the AC. Further details of the internal audit activities are set out in the AC Report of Annual Report 2024.</p> <p>The appointment of the internal auditor was reviewed by the AC annually and endorsed by the Board. The Internal Auditors have unrestricted access to the AC, Board and management.</p> <p>The internal audit personnel constantly keep themselves abreast with developments in the profession, relevant industry and regulations through attendance at conferences/trainings.</p>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In accordance with the Internal Audit Charter (Section 5. Independence &amp; Objectivity), Internal Auditors are required to confirm to the AC, at least annually, the organisational independence of the internal audit activity.</p> <p>The Group's internal audit function is outsourced to professional service firm Sterling Business Alignment Consulting Sdn Bhd ("Internal Auditors" or "Sterling"). Internal Auditors ensures adequate number of personnel to conduct the review.</p> <p>Sterling had confirmed that they are independent and free from any relationship or conflict of interest with the Group. The personnel of the Internal Auditors are free from any relationships or conflicts of interest which could impair their objectivity and independence.</p> <p>For the Financial year under review, the following Internal Auditors have led the internal audit reviews.</p> <ul style="list-style-type: none"><li>- Dr. So Hsien Ying, a Certified Internal Control Professional (US), Doctor in Business Administration (Wales), Master in Business Administration (Finance) (Hull), BSC Economics (Hons) (London), permanent member of The Internal Control Institute (US), member of the Malaysian Alliance of Corporate Directors, permanent member of the Internal Control Institute (US), Associate Member of The Institute of Internal Auditors Malaysia (IIAM) with 30 years of experience in business process improvement, internal control review, internal audit and risk management.</li><li>- Mr. Cheng Chean, is a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA and a Fellow Member of Chartered Certified Accountant (FCCA). Mr. Cheng has 23 years of hand on experience in the fields of External Audit, Internal Audit and Internal Control Review.</li></ul>

	<p>The number of resources of Sterling deployed for each internal audit review ranges from 2 to 4 audit personnel per visit. The staff involved in the internal audit reviews possesses professional qualifications and/or university degree. The IA review work is reviewed by the respective Manager in charge of the assignment and the Principal Consultant.</p> <p>During the year, the internal audit function was carried out in accordance with the Committee of Sponsoring Organizations of the Treadway Commission's ("COSO") Internal Control — Integrated Framework. At the same time, Internal Auditors also refer to the International Standards for The Professional Practice of Internal Auditing (Standards) as guidance of providing a general framework for performing and promoting a broad range of value-added internal auditing functions.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Advancecon ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosures. Advancecon also actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on Advancecon's website and engagement through the investor relations ("IR") briefings.</p> <p>The Board ensures the Company announces its quarterly results on a timely basis to the shareholders and also make necessary announcement to its stakeholders.</p> <p>Advancecon via its website, includes an IR section which provides all relevant information on the Company and is accessible to the public. This IR section enhances the IR function by including all announcements made by Advancecon.</p> <p>The IR function is established to enable continuous communication between the Company and its stakeholders. The stakeholders are encouraged to channel their enquiries to the respective personal whose name, contact number and e-mail address i.e. investors@advancecon.com.my is provided on Advancecon's website.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 12.2**

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Not applicable – Not a Large Company	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.1**

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>Shareholders were given notice of more than 28 days in respect of the 27<sup>th</sup> AGM of the Company held on 13 June 2024.</p> <p>The 28<sup>th</sup> AGM of the Company is scheduled on 18 June 2025 and the Notice for the 28<sup>th</sup> AGM has been despatched to shareholders of the Company on 30 April 2025 which is more than 28 days prior to the meeting.</p> <p>The additional time given to the shareholders allows them to make the necessary arrangements to attend and participate in person or through their corporate representatives and/or proxies. It also enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the AGM.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>All the Board members attended 27<sup>th</sup> AGM of the Company held on 13 June 2024 and Extraordinary General Meeting (“EGM”) of the Company held on 18 December 2024.</p> <p>The Chairman presides over the AGM and EGM, where appropriate, directs shareholders’ queries to the Chairman of AC, NC, RC and RMSC respectively during the meetings.</p> <p>The members of Senior Management were also in attendance at the General Meetings to allow shareholders to raise questions and concerns directly to them if required.</p> <p>The Company uploaded the outcome of AGM and EGM on the Company’s website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a> as soon as practicable after the conclusion of the said meetings.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.3**

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	At its virtual 27 <sup>th</sup> AGM held on 13 June 2024 and EGM held on 18 December 2024, the Company had leveraged technology to facilitate for the conducting of the Remote Participation and electronic voting facilities (“RPV”).	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: All the Directors and the Senior Management (i.e. Chief Financial Officer and Finance Manager) were present at the 27 <sup>th</sup> AGM held on 13 June 2024 and EGM held on 18 December 2024, and to provide responses to the questions posed by shareholders.  Sufficient time and opportunity were also made available for the shareholders to pose questions during the 27 <sup>th</sup> AGM held on 13 June 2024 and EGM held on 18 December 2024, using the RPV facilities.  The Directors have answered all the questions posed by the shareholders during the 27 <sup>th</sup> AGM held on 13 June 2024 and EGM held on 18 December 2024.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Company's held its 27<sup>th</sup> AGM and EGM held on 18 December 2024 as a virtual general meeting.</p> <p>The RPV facilities provided by Tricor Investor &amp; Issuing House Services Sdn Bhd via its TIIH Online website at <a href="https://tiih.online">https://tiih.online</a> allowed shareholders to pose questions to the Board and Chairman of the AGM via typed text in the query box.</p> <p>At the "Questions and Answers" session in the meeting agenda, the TIIH Online platform had the facilities to live broadcast the questions/remarks and answers; and the shareholders had experienced real time interaction with the Board during the AGM.</p> <p>Questions posed by shareholders had been made visible to all meeting participants during the meeting itself via RPV facilities.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 13.6**

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	: Minutes of the 27 <sup>th</sup> AGM held on 13 June 2024 and EGM held on 18 December 2024 have been made available to shareholders on its Company's website at <a href="http://www.advancecon.com.my">www.advancecon.com.my</a> . no later than 30 business days after the AGM.
<b>Explanation for departure</b>	:  
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b>	:  
<b>Timeframe</b>	:  

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT  
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

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