



**ANNUAL REPORT
2024**



VISION & MISSION



VISION

Creating a better environment for our communities by providing total engineering and facilities solutions



MISSION

We aim to provide valuable and sustainable solutions to all that we serve by:

- Developing and nurturing our people
- Adopting the most appropriate systems and technologies
- Delivering excellence in all that we do



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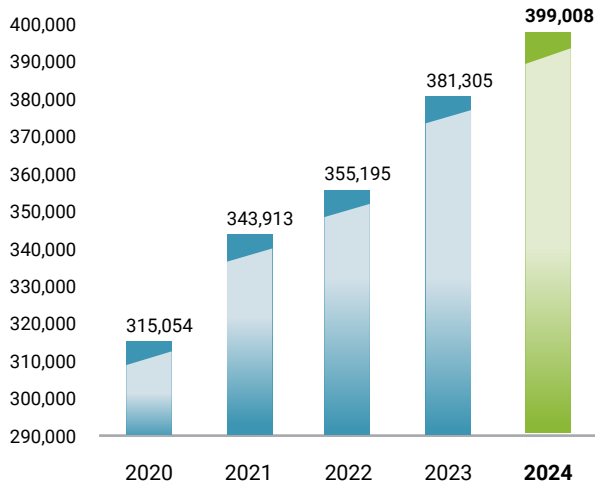
FINANCIAL HIGHLIGHTS

AS AT 30 SEPTEMBER 2024

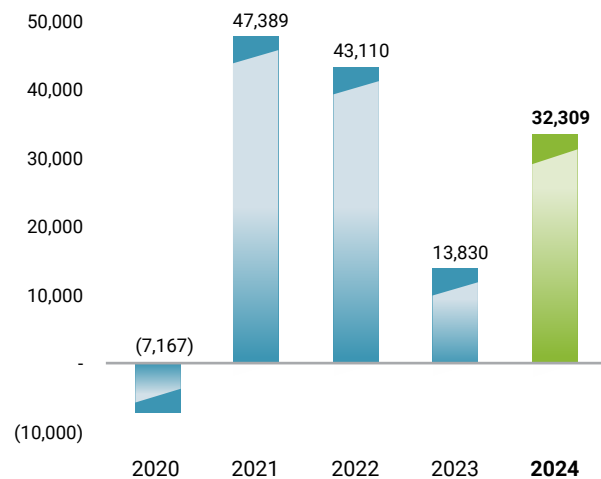
FINANCIAL YEAR ENDED 30 JUNE					
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Statement of Comprehensive Income Highlights:					
Revenue	315,054	343,913	355,195	381,305	399,008
Profit/(Loss) From Operations	(6,792)	47,796	42,711	12,397	33,028
Profit/(Loss) Before Taxation and Zakat	(7,167)	47,389	43,110	13,830	32,309
Net Profit/(Loss) For The Financial Year	(15,290)	38,815	34,206	10,792	24,326
Net Profit/(Loss) Attributable to Owners of The Company	(18,769)	26,066	21,532	2,176	19,481
Earnings/(Loss) Per Share (sen)					
- Basic	(6.4)	8.3	6.8	0.7	6.0
- Fully Diluted	(6.4)	8.3	6.8	0.7	5.9
Gross Dividend Per Share (sen)	1.5	1.5	2.0	0.5	1.0
Statement of Financial Position Highlights:					
Share Capital	112,264	119,034	119,151	119,697	126,504
Shareholders' Equity	176,427	206,321	224,515	223,776	211,636
Total Assets	354,177	404,114	412,280	443,503	441,646
Debt/Equity Ratio	0.17	0.16	0.07	0.08	0.51
Current Ratio	2.62	2.55	2.97	2.63	2.25
Net Assets Per Share (sen)	59.9	65.2	70.9	70.5	65.4

FINANCIAL HIGHLIGHTS (CONT'D)

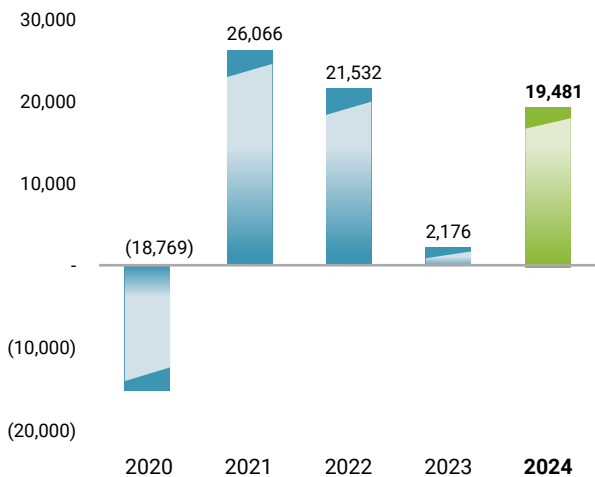
REVENUE (RM'000)



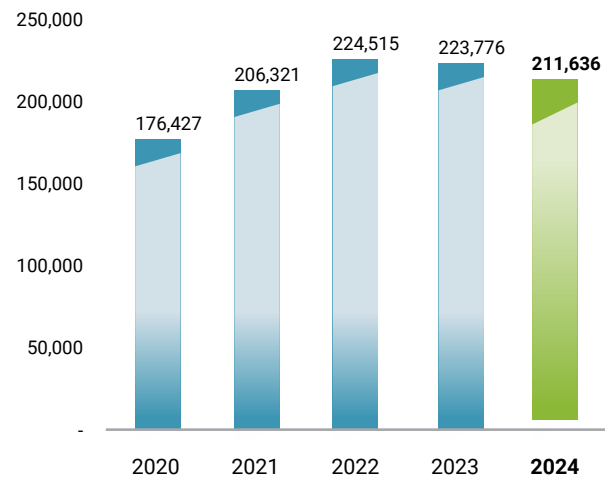
PROFIT/(LOSS) BEFORE TAXATION AND ZAKAT (RM'000)



NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



SHAREHOLDERS' EQUITY (RM'000)



2024

**Revenue
(RM'000)**

RM 399,008

**Net Profit
Attributable to
Owners
of the Company
(RM'000)**

RM 19,481

**Profit Before
Taxation and Zakat
(RM'000)**

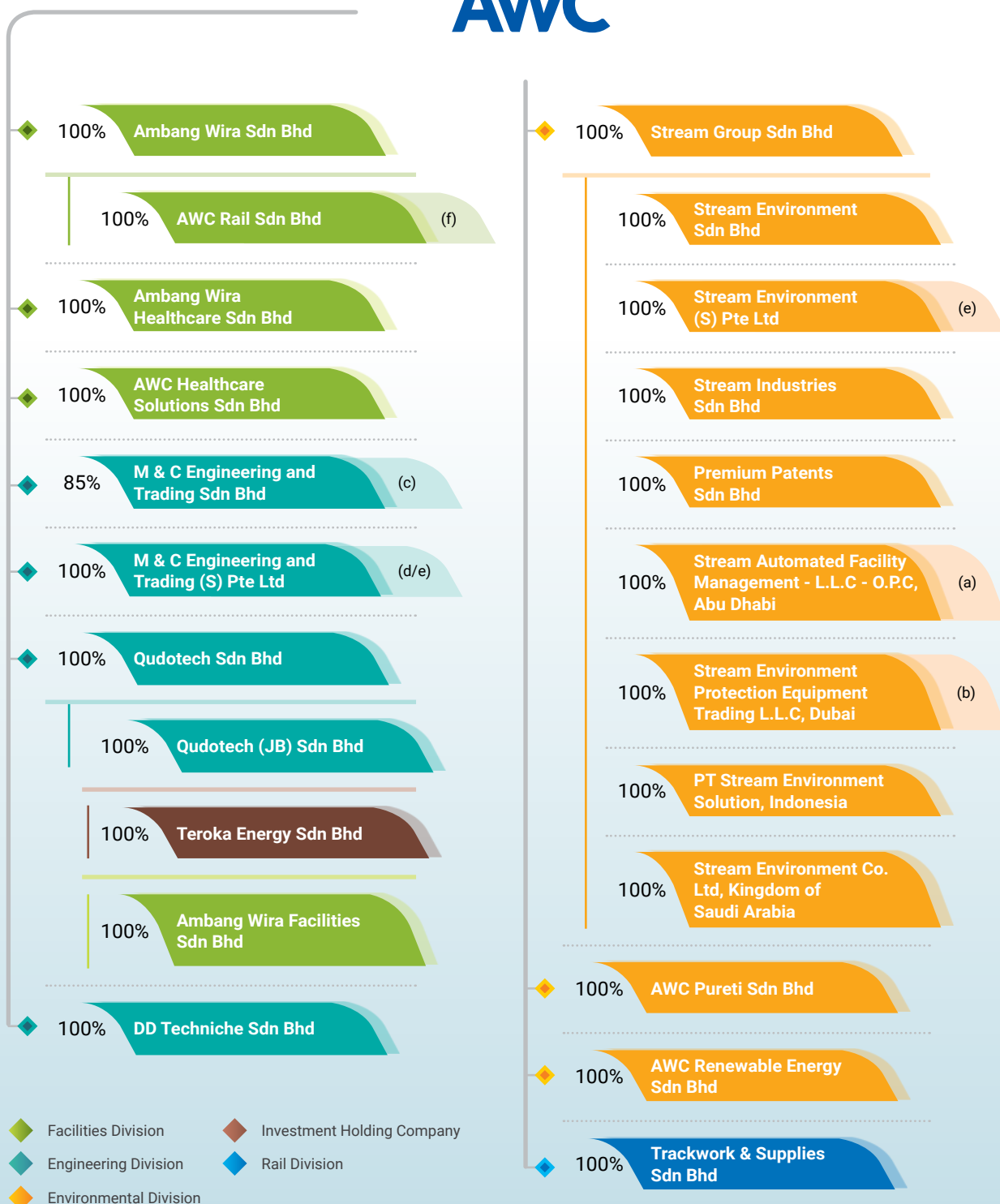
RM 32,309

**Shareholders'
Equity
(RM'000)**

RM 211,636

GROUP STRUCTURE

AS AT 30 SEPTEMBER 2024



- (a) Change of name from Stream Group Sdn Bhd Abu Dhabi branch
 (b) Change of name from Stream Group Sdn Bhd Dubai branch
 (c) Balance of 15% interest held via Ambang Wira Sdn Bhd
 (d) 51% interest held via M & C Engineering and Trading Sdn Bhd
 (e) Incorporated in Singapore
 (f) 100% interest held via Ambang Wira Sdn Bhd

CORPORATE INFORMATION

BOARD OF DIRECTORS

**DATO' NIK MOD AMIN BIN
NIK ABD MAJID**

Non-Independent Non-Executive Chairman

**YANG MULIA TUNKU PUAN SRI DATO'
HAJJAH NOOR HAYATI BINTI TUNKU
ABDUL RAHMAN PUTRA AL-HAJ**

Independent Non-Executive Director

**DATO' AHMAD KABEER BIN
MOHAMED NAGOOR**

Group Chief Executive Officer/President

SURESON A/L KRISNASAMY

Independent Non-Executive Director

DATUK HASHIM BIN WAHIR

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Sureson A/L Krisnasamy (**Chairman**)

Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati

Binti Tunku Abdul Rahman Putra Al-Haj

Datuk Hashim Bin Wahir

NOMINATION AND REMUNERATION COMMITTEE

Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati

Binti Tunku Abdul Rahman Putra Al-Haj (**Chairperson**)

Sureson A/L Krisnasamy

Datuk Hashim Bin Wahir

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Dato' Ahmad Kabeer Bin
Mohamed Nagoor (**Chairman**)

Sureson A/L Krisnasamy

Richard Voon Siew Moon

COMPANY SECRETARIES

Tea Sor Hua
(MACS 01324)
(SSM PC No.: 201908001272)

Lim Kee San
(MAICSA 7067348)
(SSM PC No.: 202308000295)

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7725 1777
Fax : 03-7722 3668
Email : cms_cospec@yahoo.com

PRINCIPAL OFFICE

20-2, Subang Business Centre
Jalan USJ 9/5T
47620 UEP Subang Jaya
Selangor Darul Ehsan
Tel : 03-8024 4503/4/5
Fax : 03-8025 9343
Website : www.awc.com.my

SHARE REGISTRAR

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
Tel : 03-2783 9299
Fax : 03-2783 9222
Email : is.enquiry@my.tricorglobal.com

AUDITORS

Baker Tilly Monteiro Heng PLT

(LLP0019411-LCA & AF 0117)
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : 03-2297 1000

PRINCIPAL BANKERS

AmBank (M) Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia)
Berhad

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia
Securities Berhad
Stock Name : AWC
Stock Code : 7579

BOARD OF DIRECTORS' PROFILE



DATO' NIK MOD AMIN BIN NIK ABD MAJID

Non-Independent Non-Executive Chairman

Dato' Nik Mod Amin Bin Nik Abd Majid ("Dato' Nik"), a Malaysian, male, aged 71, was appointed to the Board on 1 September 2009 as an Independent Non-Executive Chairman and re-designated as Non-Independent Non-Executive Chairman on 29 May 2023. He attended all four (4) Board Meetings held during the financial year. Dato' Nik obtained his Bachelor's Degree in Economics from Universiti Malaya in 1976.

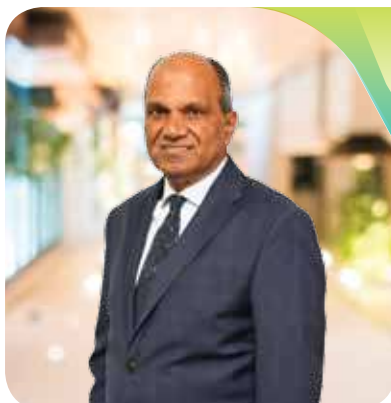
Dato' Nik is the Managing Director and founder of Fask Capital Sdn. Bhd. The Company's activities include the provision of services in the area of microcredit, micropayments, retail investments, debt management and financial consultancy. He is also the Chairman of FCA Capital Sdn. Bhd. (providing corporate advisory services) and Capital Investment Bank (Labuan) Ltd. (providing investment bank and corporate finance services in Labuan).

He has more than 26 years of banking experience with various financial institutions including Malayan Banking Berhad, Affin Bank Berhad and BSN Commercial Bank Berhad. His other experiences include Perbadanan Usahawan Nasional Berhad, Perwira Affin Bank Berhad and Malaysian Franchise Association. He was previously a Board Member of Universiti Utara Malaysia, a position he stepped down from in the year 2015.

Malaysian

Male

Aged 71



DATO' AHMAD KABEER BIN MOHAMED NAGOOR

Group Chief Executive Officer/President

Dato' Ahmad Kabeer Bin Mohamed Nagoor ("Dato' Ahmad Kabeer"), a Malaysian, male, aged 67, was appointed to the Board as a Non-Independent Non-Executive Director on 2 February 2005. On 22 June 2007, he was re-designated as the Non-Independent Non-Executive Deputy Chairman of the Company and subsequently as the Executive Deputy Chairman on 1 March 2012. He assumed the position of Managing Director/Group Chief Executive Officer of the Company on 29 May 2013. On 1 December 2017, he assumed the position of Group Chief Executive Officer/President. He is also the Chairman of the Employee's Share Option Scheme Committee of the Company. He is a major shareholder of the Company. He attended three (3) out of four (4) Board Meetings held during the financial year.

Dato' Ahmad Kabeer graduated with a Master's Degree in Finance from the University of St. Louis, Missouri, the USA in 1986. He started his career with the Bank of Nova Scotia in 1986 in the Foreign Exchange Division before becoming a lecturer at the School of Management, Universiti Sains Malaysia from 1988 to 1994.

Malaysian

Male

Aged 67

BOARD OF DIRECTORS' PROFILE (CONT'D)



SURESON A/L KRISNASAMY

Independent Non-Executive Director

Malaysian

Male

Aged 49

Mr. Sureson A/L Krisnasamy ("Mr. Sureson"), a Malaysian, male, aged 49, was appointed to the Board on 12 April 2017 as an Independent Non-Executive Director. He is also the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee and Employee's Share Option Scheme Committee of the Company. He attended all four (4) Board Meetings held during the financial year.

Mr. Sureson graduated with a Bachelor of Accountancy (Hons) from Universiti Putra Malaysia in 1999. He is currently registered as a Chartered Accountant with the Malaysian Institute of Accountants, since 2002.

Mr. Sureson started his career with Telekom Malaysia Berhad as an accountant where he was involved with finance, sales, corporate finance and investor relations. His other notable experiences with huge corporations include CLSA Securities, Bursa Malaysia Securities Berhad, CIMB Investment Bank, where he was responsible for initiating and spear heading cross-border Southeast Asia, India and Sri Lanka business opportunities, RHB Investment Bank and Bioven Ltd, UK.

He was previously the Independent Director of Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) and a Director of Universiti Putra Malaysia and Institut Integriti Malaysia.

He is currently a Director of UPM Holdings Sdn. Bhd.



YANG MULIA TUNKU PUAN SRI DATO' HAJJAH NOOR HAYATI BINTI TUNKU ABDUL RAHMAN PUTRA AL-HAJ

Independent Non-Executive Director

Malaysian

Female

Aged 57

Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati Binti Tunku Abdul Rahman Putra Al-Haj ("YM Tunku"), a Malaysian, female, aged 57, was appointed to the Board on 12 April 2017 as an Independent Non-Executive Director. She is also the Chairperson of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee of the Company. She attended all four (4) Board Meetings held during the financial year.

YM Tunku graduated with a Bachelor of Law, LLB (Honours) from Queen Mary and Westfield College, University of London, the United Kingdom in 1991. Later, she pursued a Diploma in Psychology Counselling from Universiti Kebangsaan Malaysia in 2006 and her Master's in Philosophy (MPhil) from Universiti Malaya in 2013.

As of 2018, YM Tunku holds the position as Executive Chairman of Selenggara Timur Sdn. Bhd., a road maintenance company.

Actively involved in social welfare activities, YM Tunku is one of the four Deputy Presidents of Pertubuhan Kebajikan Islam Malaysia (PERKIM) Kebangsaan, having been appointed in 2013. She was also elected as the Head of the Women Division, PERKIM Kebangsaan, a position she has held since 2010.

In 2014, YM Tunku founded a Non-Governmental Organisation (NGO), Yayasan Noor Al Syakur (YANAS) which is involved in various social welfare activities including the provision of aid to those in need and the revival of arts and culture in Kelantan.

YM Tunku was also instrumental in developing Behaviour Intervention Modules in Development and Training, between Universiti Malaya, School of Medicine, Centre of Excellence in Research of Infectious Disease and Addiction (CERIA), with the collaboration of the University of Yale and the University of Connecticut, United States of America (2010 until 2012).

YM Tunku also held a directorship in LLC Berhad.

BOARD OF DIRECTORS' PROFILE
(CONT'D)**DATUK HASHIM BIN WAHIR**

Independent Non-Executive Director

Malaysian

Male

Aged 66

Datuk Hashim bin Wahir ("Datuk Hashim"), a Malaysian, male, aged 66, was appointed to the Board on 30 September 2024 as an Independent Non-Executive Director. He is also a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee of the Company. Datuk Hashim was appointed on 30 September 2024, hence he did not attend any Board Meetings held during the financial year.

Datuk Hashim graduated with a Bachelor of Engineering in Mechanical (Hons) from Universiti Teknologi Malaysia in 1981. He has continually enriched his expertise through executive development programmes at Ashridge Management School, Hertfordshire, UK, and Johnson School of Management, Cornell University, USA.

Possessing close to 40 years of extensive experience across various sectors, Datuk Hashim has made significant contributions to the oil and gas industry, corporate planning, and property management within the Petronas Group of Companies.

Datuk Hashim's notable appointments include serving as Group Chief Executive Officer ("CEO") and Executive Director of KLCC Property Holdings Berhad ("KLCCP") and KLCC (Holdings) Sdn Bhd from November 2007 to April 2021. He also held the CEO position at KLCC REIT Management Sdn Bhd, where he managed KLCCP Stapled Securities from May 2013 to May 2021. Earlier in his career, he was the Country Chairman of Petronas Sudan operations in Khartoum, Sudan, from December 2004 to October 2007.

Datuk Hashim began his career as an engineer at Petronas Carigali Sdn Bhd in 1981, ascending to the role of Head of Production Technology, Baram Delta Operations in Miri, Sarawak, from 1983 to 1993. He continued to excel, holding key positions such as Head of Petroleum Engineering at Petronas E&P from 1993 to 2000 and General Manager, Planning and Resource Allocation at Petronas from September 2000 to November 2004.

Presently, Datuk Hashim holds board positions at PNB Merdeka Ventures Sdn Bhd, Damansara REIT Managers Sdn Bhd and IIUM Holdings Sdn Bhd ("IIUMH"). He is also the Chairman of Daya Bersih Sdn Bhd, a company wholly owned by IIUMH. Additionally, he serves as the Non-Executive Chairman of Enquest Petroleum Malaysia.

Notes:

1. None of the Directors have family relationship with any Directors and/or major shareholders of AWC Berhad, except for Dato' Ahmad Kabeer Bin Mohamed Nagoor who is a Director and shareholder of K-Capital Sdn. Bhd., a major shareholder of the Company.
2. None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
3. None of the Directors have been convicted of any offences in the past five (5) years or been imposed with any public sanction or penalty by relevant regulatory bodies during the financial year ended 30 June 2024, other than for traffic offences (if any).
4. Save as disclosed above, none of the Directors hold any other directorship in public companies and listed issuers.

KEY SENIOR MANAGEMENT PROFILE

MUZAMIL MIRZA MAHMOOD MIRZA ("MUZAMIL")

General Manager (Healthcare),
Facilities Division

Malaysian

Male

Aged 60

Academic/ Professional Qualifications:

B. Sc (Geophysics) and
M.Sc (Physics)

Muzamil joined the Group in June 2023 and currently holds the position of General Manager of Operations for Healthcare and Commercial projects.

Muzamil is an operations professional with over 26 years of progressive expertise. He started his working career in oil and gas industry, starting as a Geophysicist specialising in offshore survey and explorations in South East Asia, Australia, Africa and the Middle East and working his way up in management roles.

He has a broad range of operational experience for Facility Maintenance including Lean Concepts, Six Sigma, Root Cause Analysis, Safety and Health, total preventive and predictive maintenance and standard maintenance work, Computerized Maintenance Management System (CMMS), Green Buildings and Leasing and Tenancy Management.

Prior to joining AWC, Muzamil worked for numerous companies including UEMS (Malaysia), Raikon Building Management Company, Facility One Management Company Ltd (Vietnam), Kemuncak Asset Management Sdn Bhd, Operon Middle East (Dubai) and Johnson Controls.

ABD AZIZ AWANG ("AZIZ")

General Manager,
Facilities Division

Malaysian

Male

Aged 42

Academic/ Professional Qualifications:

Bachelor of Business
(Accounting)

Aziz was appointed as the General Manager of AWC Facilities Division on 1 July 2023.

He graduated from Victoria University of Technology, Australia in 2006 with a Bachelor of Business, majoring in Accounting and was practicing in the field of internal audit and risk management with KPMG from 2006 to 2010, serving clients from various industries such as property development, plantation, financial services, port operators, manufacturing, oil and gas and telecommunications.

He then served as Business Development Director for a garment manufacturer based in Hanoi, Vietnam for 4 years, before joining a licensed money service business specialising in wholesale currency and remittance services as its Chief Financial Officer from 2014 to 2020. In 2021, Aziz joined FCA Capital Sdn Bhd, a licensed corporate advisory firm, where he led the business development activities for a licensed investment bank based in Labuan.

Currently, Aziz is responsible for driving business development activities for the Facilities Division, which includes tender participation, developing new business leads as well as client relationship management.

KEY SENIOR MANAGEMENT PROFILE
(CONT'D)**IR. CHEE KAR MING ("IR. CHEE")**

Managing Director, Engineering Division,
Qudotech Sdn. Bhd. ("Qudotech")

Malaysian

Male

Aged 52

**Academic/
Professional Qualifications:**

Degree in Mechanical
Engineering

Ir. Chee was appointed as the Managing Director of Qudotech Sdn. Bhd., a wholly-owned subsidiary of AWC Berhad, on 15 January 2019.

He graduated from the University Technology of Malaysia in 1996 with a Degree in Mechanical Engineering and later obtained a post-graduate degree Master of Business Administration from Charles Stuart University, Australia in 2000. Since 2001 he is a registered Professional Engineer with the Board of Engineers, Malaysia (BEM) and is a Member of the Institution of Engineers Malaysia (IEM).

Ir. Chee started his career as an Engineer in Artwright Technology Sdn. Bhd. in May 1996. Following that, he joined Qudotech in July 1996 as a Project Engineer specialising in Mechanical & Electrical Services.

He has extensive experience in the management and construction of hospitals, hotels, iconic high-rise buildings and high-end condominiums. Among the mega projects, he is involved in are Binjai on the Park, KLIA2, The Exchange 106, TRX Lifestyle Mall and Merdeka PNB 118.

IR. CHEA THEAN TEIK ("IR. CHEA")

Group Chief Executive Officer/Director,
Environment Division,
Stream Group Sdn. Bhd. ("Stream Group")

Malaysian

Male

Aged 52

**Academic/
Professional Qualifications:**

Bachelor's Degree in
Mechanical Engineering,
Member of the Institute of
Engineers Malaysia (IEM)

Ir. Chea brings to the Group more than 25 years of experience specialising in the areas of Building Mechanical & Electrical (M&E) Services, Mechanical Handling Engineering, Project Management & Contract Administration, Central Vacuum Systems and Automated Waste Collection Systems.

He started his career in 1997 as an M&E engineer in an engineering consultancy firm, Perunding Cekap and TWT Consultants Sdn Bhd in Johor Bahru.

Ir. Chea currently serves as the Group Chief Executive Officer of Stream Group. His key responsibilities include sales & marketing, project implementation, contract administration, finance and business development. He joined Stream Group on 16 September 2005 and was appointed as a Director on 16 April 2018.

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

KONG KEAT VOON ("MR. KONG")

Chief Executive Officer, Trackwork and Supplies Sdn. Bhd. ("TWS")

Malaysian

Male

Aged 54

Academic/ Professional Qualifications:

Bachelor of Civil Engineering

Mr. Kong started his career with Jurutera Perunding Tegap Sdn. Bhd. as design engineer in 1994 where he was involved in structural and design works. Subsequently, he joined Greenwell Engineering Sdn. Bhd., which specialises in oleochemical turnkey project as an Assistant Project Manager in 1995 where he was involved in planning, designing, controlling the cost of the project and project management for the construction of chemical plants.

He then joined Loh & Loh Constructions Sdn. Bhd. as a Project Engineer in 1997, where he managed heavy engineering constructions projects and was involved in project implementation, tendering for projects and business development. He was then tasked to lead, manage and develop the Railway Division and Turnkey Department in 2002.

Subsequently, he joined TWS as its Chief Executive Officer in February 2012, where he oversees administrative functions and is responsible for leading the development, planning, implementation and integration of the strategic direction of TWS.

RICHARD VOON SIEW MOON ("RICHARD")

Chief Financial Officer, AWC Berhad

Malaysian

Male

Aged 55

Academic/ Professional Qualifications:

Chartered Accountant
(ACCA)

Richard joined the Group in January 2018 and currently holds the position of Chief Financial Officer. He is also a member of the Employees' Share Option Scheme Committee of the Company.

Richard is a Chartered Accountant (ACCA) with more than 20 years' experience in various industries, holding senior financial positions in listed companies including FCW Holdings Berhad, Cuscapl Berhad, KNM Group Berhad and prior to joining AWC Berhad, as Chief Financial Officer of Omesti Berhad, a position he held from March 2013 to September 2017.

Notes:

1. None of the key senior management personnel have any family relationship with any other Directors and/or major shareholders of AWC Berhad.
2. None of the key senior management personnel have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
3. None of the key senior management personnel have been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 30 June 2024, other than for traffic offences (if any).
4. Save as disclosed above, none of the key senior management personnel have any other directorship in public companies and listed issuers.

Dear Shareholders,

On behalf of the Board of Directors (“the Board”) of AWC, it gives me great pleasure to present to you the Annual Report and Audited Financial Statements of the Company for the financial year ended 30 June 2024 (“FYE 2024”).

The Malaysian economy remained resilient, registering GDP growth of 3.7% in 2023, following a strong growth registered in the previous year (2022: 8.7%). The growth moderated amid a challenging external environment due mainly to slower global trade, the global tech downcycle, heightened geopolitical tensions and tighter monetary policies. On the domestic front, despite the lapse of large policy support provided as the economy started to open up in 2022, the continued recovery in economic activity and labour market conditions supported growth in 2023. In addition, the solid growth performance of the economy is reinforced by a resilient external position. (Source: Bank Negara Malaysia)

Notwithstanding the challenging business environment, the Group managed to deliver significantly better results backed by improved operational efficiency and the completion of several signature projects during the year.



**DATO' NIK MOD AMIN BIN
NIK ABD MAJID**

Non-Independent Non-Executive
Chairman

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT (CONT'D)

FINANCIAL PERFORMANCE

Improved performance across the Group's four business pillars enabled us to continue growing our revenue to a record high of RM399.0 million in FYE 2024, a modest growth from RM381.3 million recorded in FYE 2023. Both the Facilities division and Environment division continues to drive the top-line growth for the Group. The higher recognition of CARP and additional works under the Concession segment of the Facilities division and higher revenue domestically and from the Middle East segment of the Environment division powered the revenue of the Group. From the Engineering division, higher sales recorded by our rainwater harvesting unit and the continued strong growth from our Singapore air-conditioning segment helped cushioned the lower revenue recorded by our specialized plumbing segment due to slower progress of works on a few projects under the segment. Lower order fulfilment and projects deliverables had resulted in slower revenue recorded by the Rail division.

In tandem with the record high revenue for the year, the Group bottom-line improved substantially, jumping almost ten folds to RM19.5 million in FYE 2024 from RM2.2 million reported in FYE 2023. Massive turnaround from the Facilities and Rail division along with the superior progress from the Environment and Engineering division enabled the Group to report commendable profits in FYE 2024. Our Facilities division turned around with a profit from previous year's first ever loss in history owing mainly to the cost rationalisation initiatives put in place by management to stem the losses and position the division on a better footing. Whilst the division had still experienced a few occurrences of unscheduled works, the higher recognition of CARP and additional works from the Concession segment aided the turnaround initiatives of the division.

Better project progress across most of our Environment division segments mainly Malaysia, Middle East and Singapore coupled with favourable margin revisions and completion of projects in Singapore and Abu Dhabi boosted the fortunes of the division. Fresh from the completion of STREAM Group Sdn Bhd ("STREAM Group") remaining stake acquisition, the Group had consolidated 100% of the earnings of the division from the second half of FYE 2024 which had contributed positively to the earnings of the Group attributable to shareholders. Another major contributor to the earnings of the Group for the year was the Engineering division where the specialized plumbing segment and Singapore air-conditioning segment contributed the lion share of the profits for the division. The strong performance was also made possible by recovery in receivables impaired previously relating to the 8 Conlay project. Apart from the Facilities division, our Rail division had managed to reverse its previous year's loss thanks to better margins recorded and reversal of impairment recorded on receivables in the previous year. The Group would have reported better profits for the year if not for cost incurred associated with the acquisition of the remaining 49% stake in our Environment division STREAM Group and fair value loss on investment properties held by the Group.

Our Environment division continues to anchor the earnings of the Group, contributing approximately RM22.0 million in post-tax profits. The Engineering and Rail division contributed approximately RM6.8 million and RM3.1 million respectively in after-tax profits while the Facilities division rounded up a positive year for all the divisions of the Group reporting a post-tax profit of RM0.7 million.

On a per share basis, the Group recorded an Earnings Per Share ("EPS") of 6.0 sen in FYE 2024 from an EPS of 0.7 sen in FYE 2023. The Group's fundamentals remained robust, maintaining a net cash position of RM19.1 million despite taking on financing for the acquisition of the remaining stake in STREAM Group. Shareholders' equity stood at RM211.6 million as at 30 June 2024. Net Asset per share decreased to 65.4 sen in FYE 2024 from 70.5 sen in FYE 2023 resulting mainly from changes to movement in equity due to the balance stake acquisition of STREAM Group.

The detailed analysis of the Group's Performance across the divisions are presented in our Management Discussion and Analysis ("MDNA") Section on pages 58 to 66 of this Annual Report.

CHAIRMAN'S STATEMENT
(CONT'D)

BUSINESS AND OPERATIONAL REVIEW

Facilities Division

The division continues to break new grounds in terms of revenue growth where the full year contributions from the Institut Kanser Negara (IKN) and PSK Perak projects under our healthcare segment along with the recognition of CARP and additional works revenue under our Concession segment had boosted the revenue of the division in the current financial year. Our non-concession segment business development initiatives in securing new contracts within the commercial space was fruitful with the award of facilities management contract of Bangunan Darul Ehsan from Selangor State Investment arm Menteri Besar Incorporated. With the achievement of another record in revenue, the division managed to reverse previous year's losses with the better margins achieved from the CARP and additional works together with the write-back of previously impaired receivables. Whilst the various operational and cost improvement measures have been positive in helping the division to turnaround and record a slight profit, we foresee that the division will continue to experience operational cost related pressures. We remain steadfast in ensuring the division to improve on its performance and contribute to the Group as a whole.

Bangunan Darul Ehsan, Selangor



Institut Kanser Negara, Putrajaya



CHAIRMAN'S STATEMENT (CONT'D)

BUSINESS AND OPERATIONAL REVIEW (CONT'D)

Environment Division

Hot off the heels of breaking the century RM100 million revenue mark in FYE 2023, STREAM Group booked another record high revenue in FYE 2024, albeit on a slower pace. The execution of new projects secured and pick-up in progress of existing projects across all three key regions of the division namely Malaysia, Singapore and the Middle East regions along with favourable margin revision from the final accounts of several projects in the Singapore and United Arab Emirates (UAE) region and the reversal of defect liability period provision in all regions contributed to the solid performance of STREAM Group in FYE 2024. As a result, the division reported superior growth in profits during the year where it wasn't weighed down by the cost escalation experienced from a project in Singapore in FYE 2023. During FYE 2024, STREAM Group handed over various projects across the three regions: In Malaysia, amongst others Duta Park Residences, One Cochrane, and Aspen Viluxe. In Singapore, more than 15 projects including Woodlands Health Campus, Hyll on Holland and Florence Residences while in UAE, some of the projects handed over includes Mihri, Qumra and Eslah. The successful penetration into new markets mainly within the UAE region in FYE 2024 had enabled STREAM Group to a record number of more than 30 new projects secured across all the key segments. The Jewel of Creek and 7City JLT in Dubai marks the Group's maiden grand entrance into the Dubai market where it has been predominantly controlled by STREAM's largest competitor. In Malaysia, Gamuda twentyfive 7 serviced apartment, UEM Sunrise The Minh and Penang International Commercial City (PICC) Phase 2B were the notable new jobs secured. From the Singapore market, representing the largest replenishment value of new jobs, the division landed amongst others Sora Condo, Katong Condominium, and Lentor Garden Residences. Projects that are expected to be handed over in FYE 2025 includes Edgewood @ Sky Sanctuary, Gombak Integrated Transport Terminal, One Pearl Bank, National Service Hub, Forett @ Bukit Timah and Lu luat' Infra Phase II in Abu Dhabi, UAE.

STREAM Group Projects in Malaysia



CHAIRMAN'S STATEMENT (CONT'D)

BUSINESS AND OPERATIONAL REVIEW (CONT'D)

Environment Division (Cont'd)

STREAM Group Projects in Singapore



CHAIRMAN'S STATEMENT (CONT'D)

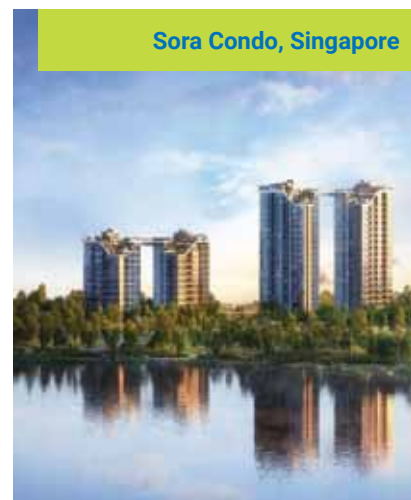
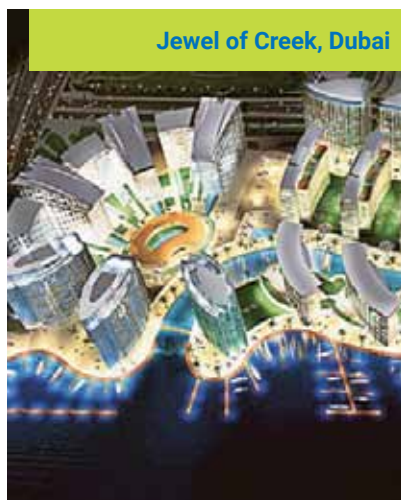
BUSINESS AND OPERATIONAL REVIEW (CONT'D)

Environment Division (Cont'd)

STREAM Group Projects in Singapore (Cont'd)



New STREAM Group Projects Secured in FYE 2024



CHAIRMAN'S STATEMENT (CONT'D)

BUSINESS AND OPERATIONAL REVIEW (CONT'D)

Environment Division (Cont'd)

New STREAM Group Projects Secured in FYE 2024 (Cont'd)



CHAIRMAN'S STATEMENT (CONT'D)

BUSINESS AND OPERATIONAL REVIEW (CONT'D)

Engineering Division

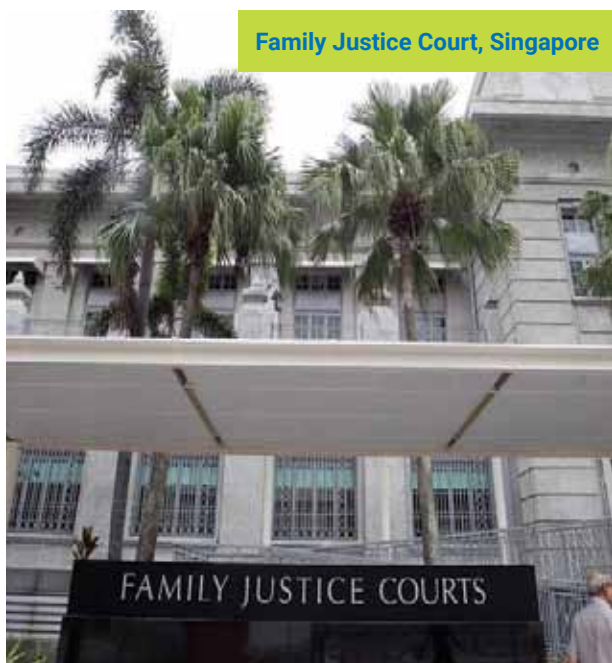
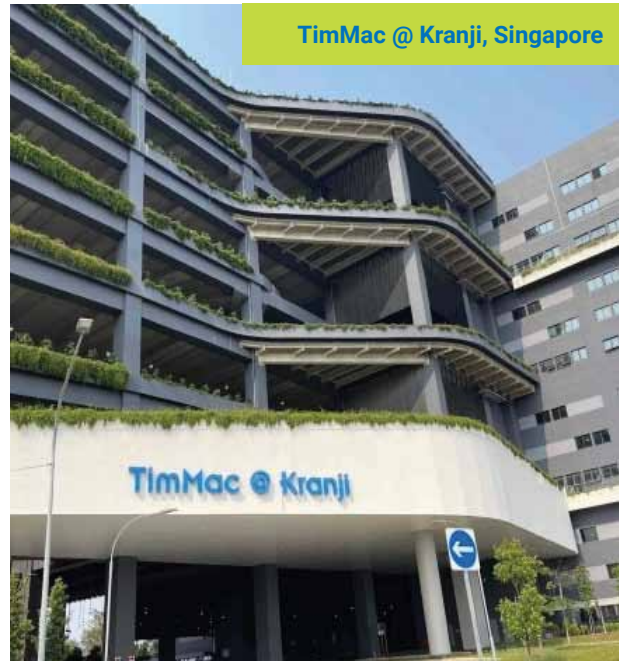
The division experienced a slight degrowth in FYE 2024 mainly due to our specialized plumbing segment where the stop work order for one of the unit's larger projects, the 8 Conlay had a stop work order imposed during the financial year. The slower progress on newer projects secured by the unit had also resulted in the drop in revenue for the plumbing segment. Our Singapore's air-conditioning segment and rainwater harvesting unit had mitigated the impact of lower revenue from the plumbing segment with both unit's reporting double digit growth rates during the year under review. The growth was made possible from the higher sales trading for Building Management Systems (BMS), Hydronic solutions, and maintenance servicing all under the Singapore's air-conditioning segment whilst the rainwater harvesting unit saw more uptake in rainwater harvesting (RWHS) and siphonic systems solutions. In FYE 2024, the Division completed several projects: In Malaysia, TRX Mall at Tun Razak Exchange, IMC Hospital and Alice Smith International School were handed over. In Singapore, BMS projects completed includes JTC Kranji and Timmac and Hydronic projects namely Pasir Ris 8 Mixed Development and Family Justice Court. Award of new projects for the division consisted of Residensi Serasi (Plumbing and RWHS), Kapar Hospital, Klang, Vantage Data Centre in Cyberjaya, the supply of Siphonic Systems and RWHS for eight East Coast Rail Line stations in Kelantan and Terengganu, Siphonic and RWHS for the new Pemas Linggi Rest Service Area (Southbound of Lebuhraya Utara-Selatan) and in Singapore Ferry & Cruise Terminal Building located at Harbour Front along with Clifford Centre. The Merdeka 118 Tower and PNB 1194 Building are in the final stages of completion and are now expected to be fully handed over in 2025.



CHAIRMAN'S STATEMENT (CONT'D)

BUSINESS AND OPERATIONAL REVIEW (CONT'D)

Engineering Division (Cont'd)



CHAIRMAN'S STATEMENT (CONT'D)

BUSINESS AND OPERATIONAL REVIEW (CONT'D)

Rail Division

In line with hampered project progress during the year under review owing to slower fulfilment of orders and delayed project deliverables, revenue for the division declined in FYE 2024. Despite the dip in revenue, the division had managed to bounce back from its prior year losses helped by the higher commission income received for a project and the recovery of bad debts previously written-off. The division secured several projects from KTMB and MRT Corporation that includes supply and delivery of rail seat pads to KTMB for plain track at Rawang-Ipoh Double Track (RIDT), supply and delivery of mono-block wheel for KTMB wagons and 26 class locomotive, supply and delivery of front nose assembly for ETS Class 93/1 and 93/2, supply, installation, testing and commissioning of Pandrol vanguard assembly on existing sleeper at MRT Kajang line and the supply and delivery of bogie spares for KTMB. In FYE 2025, we expect to handover the division's largest contract secured to-date from Prasarana consisting of supply and delivery of running rails, baseplates and UFWL for the Ampang and Kelana Jaya LRT lines.

Sabah Railway Commissioning for the Blh 20



Commissioning of Tamping Machine by Sabah Railway Technicians



Supply and Delivery of front nose assembly for KTMB ETS Class 93/1 and 93/2

CHAIRMAN'S STATEMENT (CONT'D)

ECONOMIC REVIEW AND OUTLOOK

2023 was a mixed recovery year with advanced economies growing slower than that of emerging markets. While inflation remained a significant concern across the globe, major central banks went on a period of interest rates adjustment to manage the rising prices. Supply chain disruptions continue to plague global supply chains, impacting trade and production while the fluctuations in energy prices, driven mainly by the on-going geopolitical tensions threatened the economic stability in several countries.

Growth in 2024 will be driven by resilient domestic expenditure and improvement in external demand. On the external front, the IMF is projecting a rebound in global trade growth from 0.4% in 2023 to 3.3% in 2024. The World Bank meanwhile projected global growth to hold steady at 2.6% in 2024 before edging up to an average of 2.7% in 2025-26. Together with the tech upcycle, the stronger external demand and continued improvement in the tourism sector will provide support to Malaysia's exports. On the domestic front, household spending will be supported by continued employment and wage growth. Investment activity will be underpinned by further progress of multi-year projects, by both the private and public sectors, as well as the implementation of catalytic initiatives under the various national master plans. Improvement in tourist arrivals and spending are expected to continue. The growth outlook remains subject to downside risks stemming from weaker-than-expected external demand and larger declines in commodity production. Nonetheless, there are upside risks to growth emanating from greater spillover from the tech upcycle, stronger-than-expected tourism activity and faster implementation of existing and new projects. BNM has maintained its forecast for Malaysia's economy to grow 4%-5% given encouraging 1Q 2024 growth of 4.2% followed by 5.9% growth in 2Q 2024.

(Source: Bank Negara Malaysia and The World Bank)

For the AWC Group, we remain steadfast in delivering growth for our shareholders. Building on the successful completion of consolidating our crown jewel STREAM Group and our Rail division Trackwork and Supplies in FYE 2024, we remain optimistic that STREAM Group will anchor the Group forward. We have seen our market development strategies in breaking the dominance of our competitors in the Middle East market bearing fruits with the maiden contracts secured from Dubai, UAE in the current financial year. Along with the multiple incorporation of new subsidiaries in new markets such as the Republic of Indonesia and the Kingdom of Saudi Arabia, our market presence will be expanded significantly and should contribute positively to the performance of the Group in the years ahead. Domestically, the improvement in property development market along with pump-priming activities by the Government are expected to boost demand in home ownership along with it accelerate construction and development activities. The launch of Mutiara LRT Line in Penang by the end of 2024, the implementation of various improvements in public and private infrastructure and transportation in the state of Johor and East Malaysia together with the official roll-out of Klang Valley MRT3 Project will mark the beginning of a period of sustainable growth for the AWC Group as we expect to play a pivotal role in these developments.

AWARDS AND ACCOLADES

AWC Berhad was again identified as one of the Top 20 Jewels listed on Bursa Malaysia by RHB Investment Bank. This is the second time that the Group was featured following the 20 Jewels Edition in 2019 and again this year in May 2024. We are proud to be recognised as one of the rising stars of Bursa Malaysia listed companies.

Our specialized plumbing unit Qudotech Sdn Bhd was awarded the Excellent Quality/ Safety Management Award 2023 from Samsung C&T for the Merdeka 118 Project. The award is a recognition and testament to our Engineering unit's exemplary role in safety and quality performance accomplished, demonstrating our technical and managerial prowess in completing landmark projects such as the Merdeka 118, the World's Second Tallest Building. Prior to this, AWC was awarded the Appreciation Award from PNB 118 for the achievement of 5 million man-hours without lost time injury for the same project.

CHAIRMAN'S STATEMENT (CONT'D)

AWARDS AND ACCOLADES (CONT'D)



DIVIDEND

The Board of Directors had earlier declared first interim dividends amounting to 0.5 sen per ordinary share which was paid out to our shareholders in June 2024. A final dividend of 0.5 sen has been proposed and recommended by the Board, subject to shareholders' approval at the forthcoming Annual General Meeting. If approved by shareholders, the total pay-out for the year will be 1.0 sen per ordinary share vs 0.5 sen per ordinary share in the previous year. Total pay-out is approximately RM3.3 million, translating to a dividend pay-out ratio of approximately 17.0% against EPS.

ACKNOWLEDGEMENT

During the year, there were changes to the Board with the resignation of YBhg. Dato' Dr Hj Shamsul Anwar bin Sulaiman on 1 June 2024. This was followed by the appointment of YBhg. Datuk Hashim bin Wahir who have been appointed as an Independent Non-Executive Director of AWC Berhad on the 30 September 2024. I would like to thank YBhg. Dato' Dr Hj Shamsul Anwar bin Sulaiman for his valuable advice and contributions throughout his tenure as Director of AWC and wish him well in all his future endeavours. To YBhg. Datuk Hashim bin Wahir, welcome on board and I look forward to working with you to bring further success to the Group.

I would like to extend my sincere gratitude to our Board members, the Management team and staff at AWC Group for your invaluable contributions during the year. Your continued resilience and dedication have been instrumental in pushing the Group forward towards new horizons.

Our deepest appreciation also to our shareholders, business and industry partners, and regulatory authorities for their trust and support. We remain committed to upholding the highest standards of governance, operational excellence and value creation for all our stakeholders as we forge ahead. To the Government of Malaysia and all other authorities, thank you for your invaluable support and assistance.

Finally, our deepest appreciation to you, our shareholders for your trust, confidence, and continued support for the AWC Group as we chart and enter our next phase of growth. Stay with us for an exciting journey ahead.

DATO' NIK MOD AMIN BIN NIK ABD MAJID
Non-Independent Non-Executive Chairman

SUSTAINABILITY STATEMENT



AWC SUSTAINABILITY STATEMENT 2024

GRI 2-1, 2-2, 2-3

This is AWC Berhad's 7th annual Sustainability Statement. We have detailed our initiatives and efforts toward achieving long-term growth, development, and value creation for all our stakeholders.

To advance our sustainability goals, this report provides an overview of our efforts in the Economic, Environmental, Social, and Governance ("EESG") areas. As always, AWC Berhad remains steadfast in prioritising the interests of our valued stakeholders in our sustainability endeavours.

In addition to reporting our sustainability performance in alignment with the Bursa Malaysia Securities Berhad's ("Bursa Malaysia's") Main Market Listing Requirements on Sustainability Reporting (3rd edition), we have also taken into account the Global Reporting Initiative (GRI) Standards as a guideline.

Additionally, we have considered which United Nations Sustainable Development Goals (UNSDGs) align closely with our business operations. This year, we shifted to a group-wide reporting approach, moving away from last year's division-based breakdowns, to align with AWC Berhad's intentions for more unified reporting.

In strengthening the credibility of the Sustainability Statement, selected aspects/parts of this Sustainability Statement have been subjected to an independent limited review by the company's internal auditors. The subject matter covers the Sustainability Statement which describes the sustainability practices across AWC Berhad. The boundary of the independent review includes mainly the quantitative and qualitative narratives to a certain extent in the sustainability statement.

Guidelines & References

Main Guide:

BURSA Sustainability Reporting Guide

Supplementary Guides & References:

GRI and UNSDGs

The reporting period is from 1 July 2023 to 30 Jun 2024. The scope of this report extends to all four divisions, covering offices in Malaysia, Singapore and countries in the Middle East.



SUSTAINABILITY STATEMENT (CONT'D)

COMPANY PROFILE

GRI 2-2, 2-2, 2-28

AWC Berhad (hereafter referred to as “AWC” or “the Group”) is a prominent engineering services group in Malaysia. It is also known to building owners as one of the region’s leading providers of “one-stop” integrated facilities management services. Headquartered in Selangor, Malaysia, the Group offers encompassing waste management system solutions, integrated facilities management, construction solutions for rails and plumbing services. Below is a list of the Group’s key business entities, all of which are now fully owned by the Group.

Key Entities



AWSB heads the Group’s Facilities Division which is also the Group’s largest division in terms of workforce. AWSB is a major provider of “one-stop” integrated facilities management services throughout Malaysia.



TWS, the Group’s youngest division, provides services in various areas of the Railway sector such as construction and maintenance for Track, Depots and Equipment.



STREAM heads the Group’s Environment Division. It is headquartered in Selangor, Malaysia, with subsidiary offices in other parts of Malaysia as well as in Singapore and Abu Dhabi, United Arab Emirates (UAE).



Qudotech is a leading Mechanical and Electrical (M&E) contractor specialising in Plumbing Services in Malaysia, especially Cold/Hot Water and Sanitary Plumbing Services.



DDT is an engineering company that specialises in designing and building Rainwater Harvesting (RWH), Greywater Harvesting and other water treatment systems.

Membership of Associations

Construction Industry Development Board (CIDB)

American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)

Pusat Khidmat Kontraktor (PKK)

Singapore Business Federation (SBF)

Kementerian Kewangan

Malaysia Green Building Council (malaysiaGBC)

MyHijau Mark & Directory

Abu Dhabi Chamber of Commerce

Dubai Chamber of Commerce

SUSTAINABILITY STATEMENT
(CONT'D)

SUSTAINABILITY HIGHLIGHTS

We have listed down our major achievements towards sustainability for this financial year.

Corruption
Cases**0**
Cases

Customer Satisfaction Score

**95%****5**
CSR Initiatives

Workplace Fatalities

**0**
Cases

Amount Spent on CSR

**RM147K**Beneficiaries
Helped**93**

Workforce Development

5,326

hours of Employee Training

Anti-Corruption Training

1,072
Hours of Training

SUSTAINABILITY STATEMENT (CONT'D)

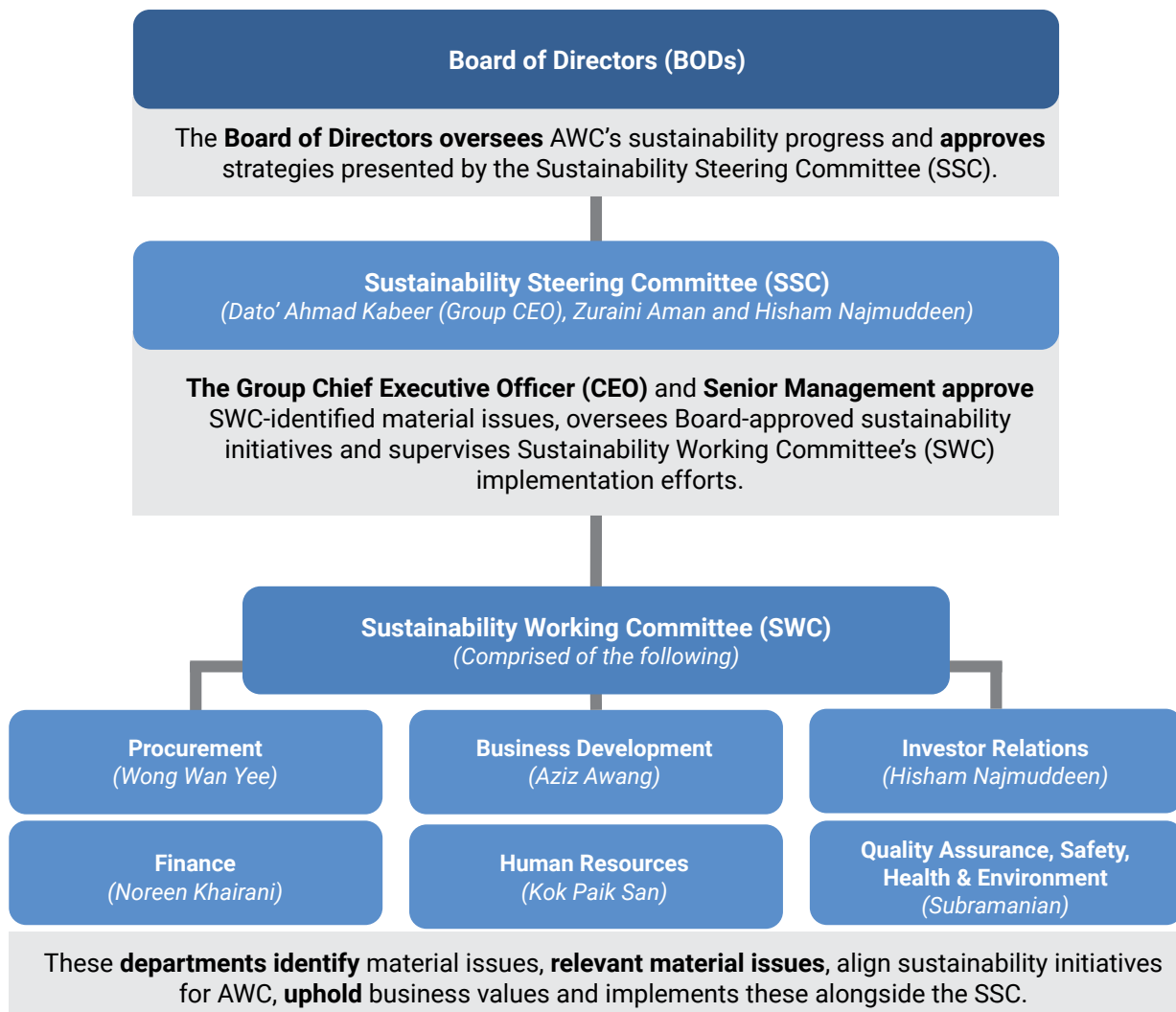
GOVERNANCE STRUCTURE

GRI 2-9, 2-14

AWC adopted a three-tier sustainability governance structure as a safeguard to ensure that the highest standards of integrity and governance are maintained throughout all business activities. This is illustrated in **Figure 1 below**.

Established in 2018, this structure reflects our commitment to sustainability, guided by the strategic oversight of AWC's Board of Directors, the Sustainability Steering Committee, and the Sustainability Working Committee. The BODs have played a pivotal role in advancing our sustainability efforts, the SSC has helped align ideas from the BOD to the SWC and the SWC oversees the execution of these ideas.

Figure 1: Sustainability Governance Structure







SUSTAINABILITY STATEMENT
(CONT'D)

KEY STAKEHOLDERS ENGAGEMENT

GRI 2-9

All individuals or groups who are involved with, interested in, or influenced by AWC's operational processes are regarded as stakeholders. We maintain a continuous dialogue with our identified key stakeholders throughout the year to understand their viewpoints, needs and expectations on key topics of interest, respectively reflected in the tables:

Frequency of Engagement	M	Monthly	H	Half-yearly	A	Annually
	Q	Quarterly	B	Biannually	R	As required
 Investors	Engagement Approach		Frequency		Key Areas of Interest	
	Investor earnings conference		R		<ul style="list-style-type: none">Return on investmentTransparent reporting with credible dataInnovative supply chain solutionsOrderbook replenishment rate	
	Investors/analyst briefings		B			
	Annual report		A			
	Corporate website		R			
	One-on-one meetings		R			
	Annual general meeting		A			
 Customers	Customer feedback and surveys		Q		<ul style="list-style-type: none">Reliable service and on-time deliveryCustomer convenienceCompetitive pricingOperational efficiency	
	Market research		R			
	Operational meetings		Q			
	Client social events		R			
 Employees	Training & talent development		M		<ul style="list-style-type: none">Competitive pay and benefitsClear communicationWork-life balanceCareer growth and opportunities	
	Employee engagement survey		R			
	Town hall meetings		R			
	Internal audit on operations		A			
	Employee performance evaluation		A			
 Contractors	Creditworthiness checks with Credit Tip-Off Services (CTOS)		R		<ul style="list-style-type: none">Reputation of Main ContractorTimely pay-outs and workmanshipType of projects involved	
	Two-way dialogue for process and quality improvement		R			

SUSTAINABILITY STATEMENT (CONT'D)

KEY STAKEHOLDERS ENGAGEMENT

GRI 2-9

Frequency of Engagement

M Monthly
Q Quarterly

H Half-yearly
B Biannually

A Annually
R As required



Regulatory and Statutory Bodies

Engagement Approach	Frequency
DOSH inspection of elevators & escalators	A
Jabatan Keselamatan dan Kesihatan Pekerja (JKKP) inspection on elevators and escalators	A
Fire safety and building inspection by BOMBA	A
Facility visits by a certified electrical engineer	H
External Audit – Quality Management System	A
External Audit – Finance, Operations and Procurement	A
Construction Industry Development Board (CIDB) Malaysia	Upon renewal of CIDB certificate, CIDB green card, etc.
Safety Incident Reporting	R

Key Areas of Interest

- Regulatory compliance
- Corporate governance
- Standards and certifications
- Risk management



Suppliers/Subcontractors

Supplier/Subcontractors assessment forms	A
Supplier/Subcontractors registration forms	R
Obtaining prices from 3 tenderers for comparative evaluation	Every new project
Face-to-face/Virtual meetings and evaluation checklist	A

- Timely pay-outs
- Procurement practices
- Supplier Code of Conduct
- Quality of Products/ Materials
- Supplier support and performance
- Transparent tender processes and accurate pricing
- Post-project evaluations



Local Community

Charitable donations and hosting of community events	R
Employment opportunities through local hiring	R

- Impact of operations on the environment
- Economic opportunities

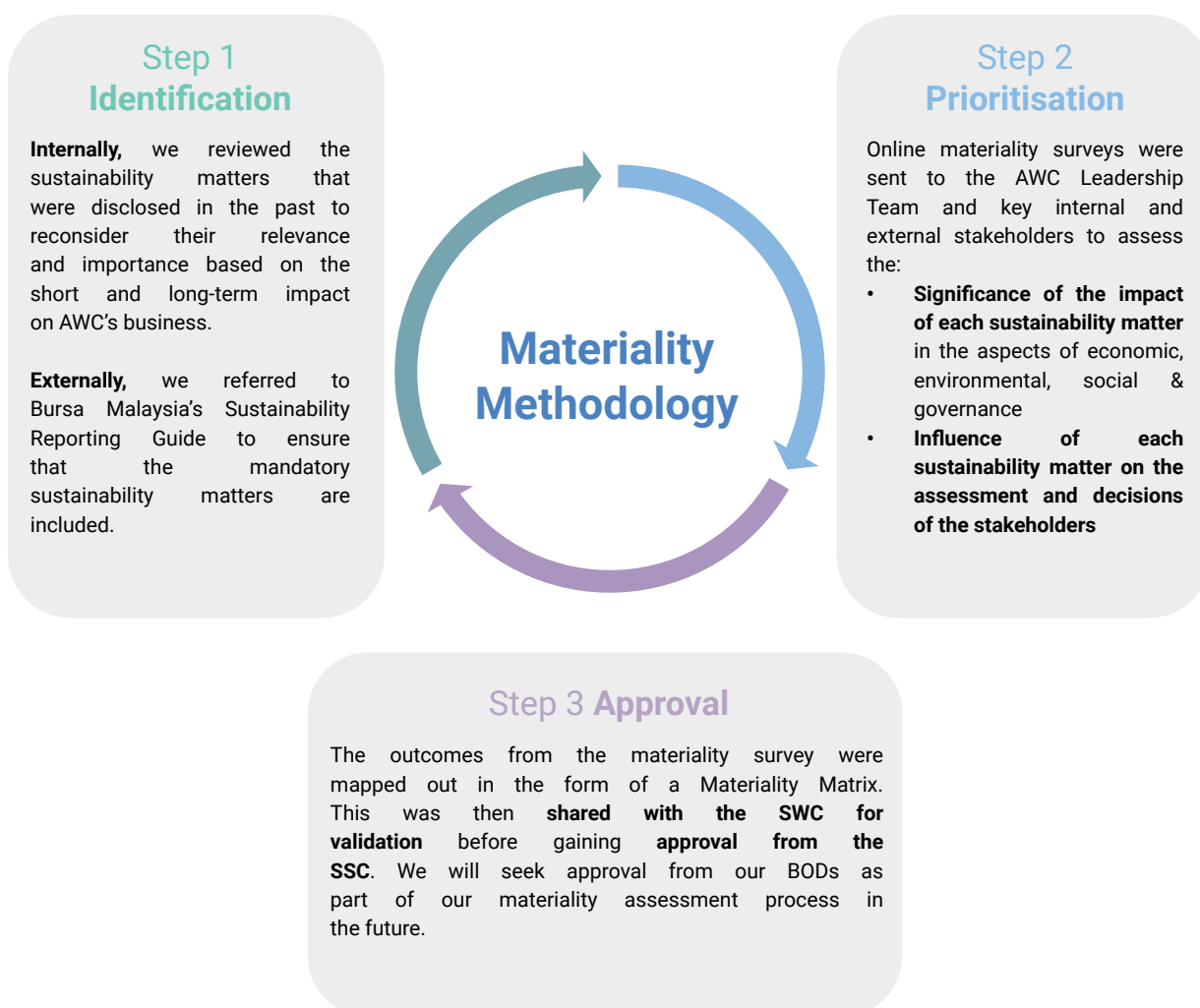
SUSTAINABILITY STATEMENT
(CONT'D)

MATERIALITY METHODOLOGY

GRI 3-1

Following Bursa Malaysia's Sustainability Reporting Guide 3rd Edition mandating the disclosure of 11 fundamental sustainability matters, we reviewed the Group's sustainability matters in the previous year. Upon last year's discussions with representatives from the Sustainability Steering Committee (SSC) and the Sustainability Working Committee (SWC), a **total of thirteen (13) key sustainability matters were deemed relevant and important to AWC.**

In 2023, we engaged independent consultants to conduct an assessment to incorporate the latest changes. The materiality assessment conducted in 2023 is a full assessment, drawing input from 125 stakeholders across different stakeholder groups. We constructed the materiality matrix guided by a 3-step process, the visual representation of which is depicted as below. As per advised by Bursa Malaysia SR Guide, we will review our material matters annually and conduct a full materiality every 3 years or if there are any major changes to the business model.



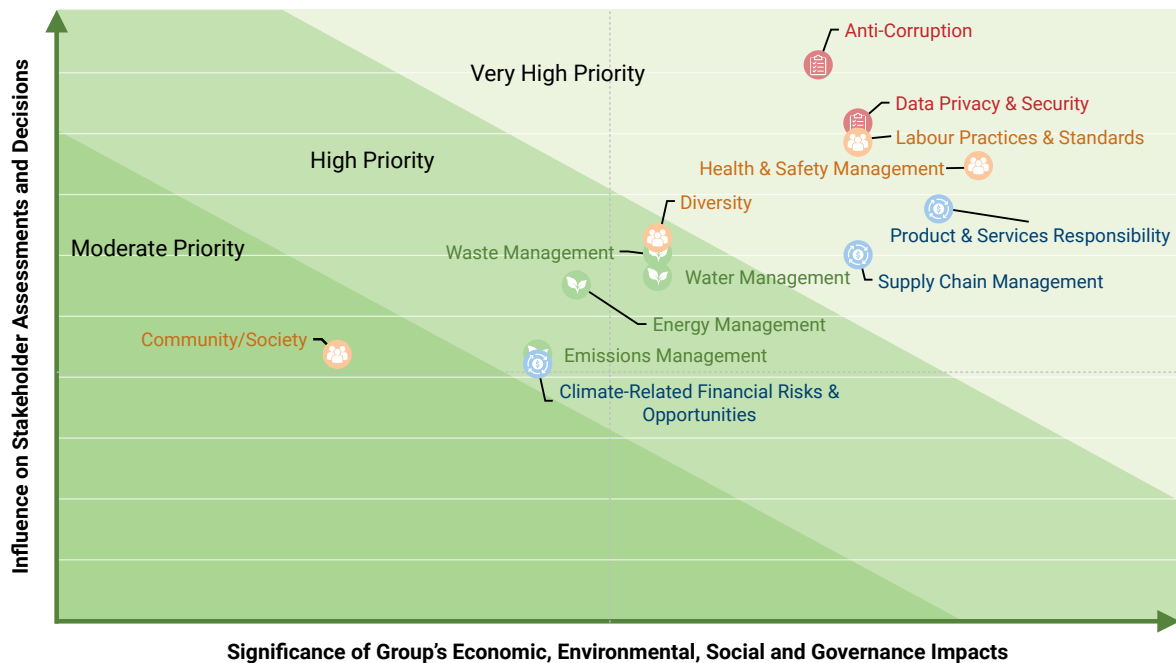
SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY METHODOLOGY

GRI 3-2

The Group's Materiality Matrix is illustrated in Figure 2 below. Out of thirteen (13) material matters, AWC recognised **six (6)** as "**very high priority**". These material matters are mapped in the top right section of the materiality matrix - Health & Safety Management, Anti-Corruption, Data Privacy & Security, Labour Practices & Standards, Products & Services Responsibility and Supply Chain Management.

Figure 2: Materiality Matrix



Economic

- Products & Services Responsibility
- Supply Chain Management
- Climate-Related Financial Risks & Opportunities



Environmental

- Waste Management
- Water
- Energy Management
- Emissions Management



Social

- Health & Safety Management
- Labour Practices & Standards
- Diversity
- Community/Society



Governance

- Anti-Corruption
- Data Privacy and Security

SUSTAINABILITY STATEMENT
(CONT'D)

GRI 3-2



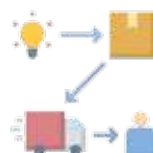
ECONOMIC

Economic sustainability is a major part of AWC Berhad's business strategy. By ensuring profitability, long-term financial stability and value creation for shareholders, AWC Berhad will be able to:

- Enhance its capability to deliver strong future performance.
- Sustain its capacity to invest in environmental and social initiatives that align with its broader sustainability goals.



Material Matter	Why They Matter
Products & Services Responsibility	Achieve long-term stakeholder satisfaction while minimising potential risks.
Supply Chain Management	Maintain our ability to deliver value to stakeholders without issues by focusing on sourcing locally and exploring alternatives.
Climate-related Financial Risks & Opportunities	Recognise the need to address climate-related risks and opportunities due to regulatory requirements and business resilience.



SUSTAINABILITY STATEMENT (CONT'D)

PRODUCTS & SERVICES RESPONSIBILITY

GRI 3-2, 3-3

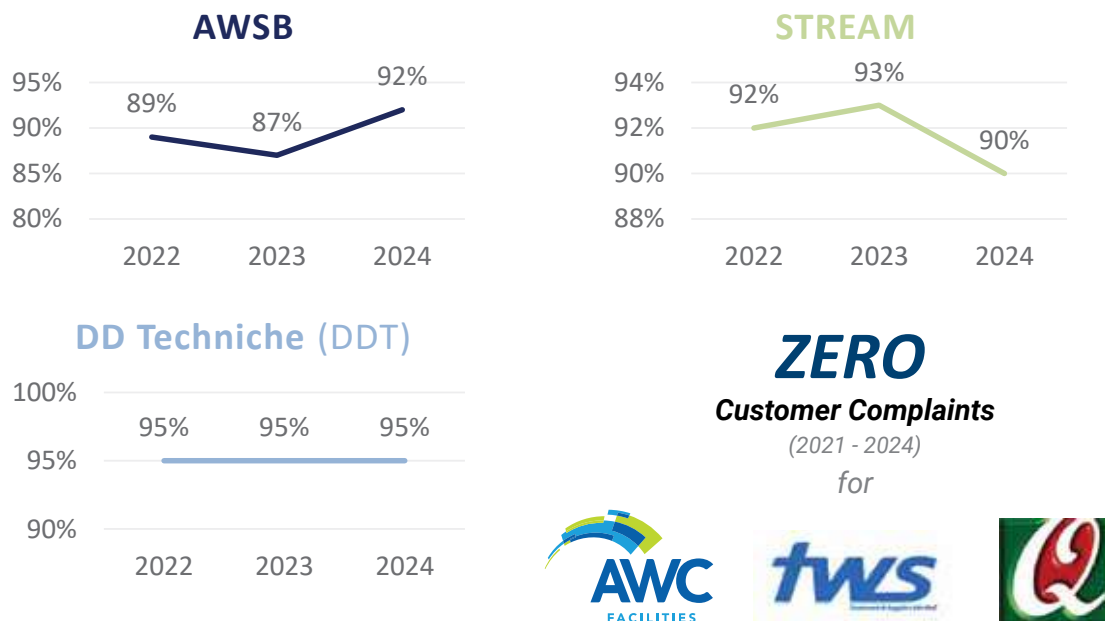
As we are committed to responsible practices, we understand the importance of ensuring that our products and services benefit customers and consider the impact on society and environment. At AWC, this involves meticulous attention to the quality and safety of our products and services throughout the entire production or delivery process. We are aware that mishandling this process can lead to customer dissatisfaction and financial implications.

Customer Satisfaction

We recognise that customer input is crucial for achieving long-term profitability, driving innovation, maintaining a good business reputation, and preserving our competitive advantage. To engage with our customers effectively, we use two primary methods:

1. Customer Satisfaction Surveys (CSS) to understand how happy our customers are with our services and products.
2. Dedicated channels where customers can submit their complaints.

Figure 3: Customer Satisfaction Rate (%)



AWSB and DDT have successfully increased and maintained their current customer satisfaction scores, while STREAM has experienced a minor decline. The lower score is due to newer projects that are currently undergoing rectification. To address this, we have expedited the process for these complaints to resolve them more quickly and informed our customers that their concerns have been acknowledged.

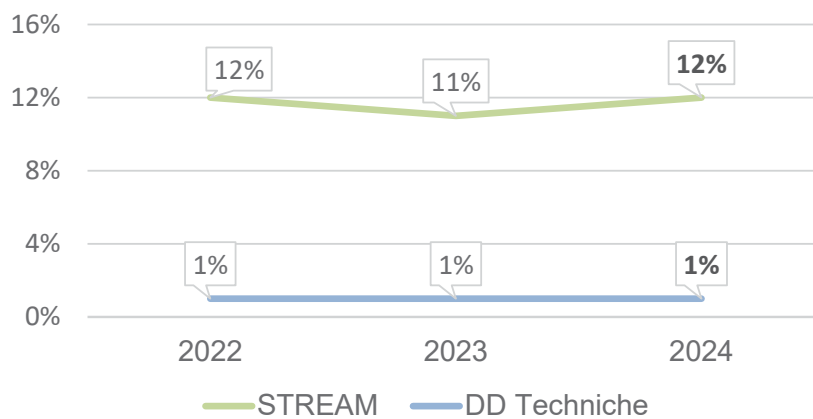
PRODUCTS & SERVICES RESPONSIBILITY

GRI 3-2, 3-3

Customer Satisfaction

In 2024, STREAM and DDT are the only ones with customer complaints. We take customer complaints seriously as it affects our relationships with our customers, and it reflects our quality of work. Where possible we try to solve this issues as soon as possible.

Figure 4: Customer Complaint Rate (%)



DD Techniche maintained a steady 1% customer complaint rate over three years, while **STREAM** experienced a 1% increase in customer complaints compared to the previous year. To address this rise, STREAM immediately followed up with clients and began regular onsite visits to resolve any issues with minimal delay.

SUSTAINABILITY STATEMENT (CONT'D)

SUPPLY CHAIN MANAGEMENT

GRI 3-2, 3-3, 204-1

Supply chain management involves strategically coordinating activities and resources for the production, procurement, distribution, and delivery of goods and services. As a key player in multiple industries, AWC's ability to deliver value to stakeholders relies on effective supply chain management.

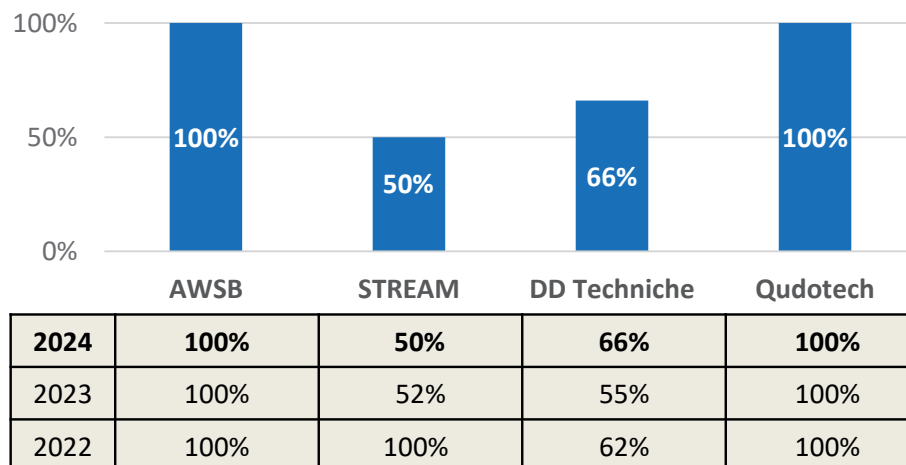
We achieve this by improving our procurement procedures to include top-quality suppliers, ensuring the highest standards. We also focus on sourcing locally and exploring alternatives. By keeping a diverse pool of suppliers, we can make better decisions on supplies to use, cost savings and increased innovation.

► Expenditure on Local Suppliers

To ensure that our supply chain is managed with integrity and follow regulatory requirements, we conduct an annual review on the majority of our suppliers. We aim to prioritise our spending on local suppliers as it fosters national economic growth by generating jobs and supporting local communities but also minimises environmental impact through reduced transportation distances. Additionally, this would improve supply chain resilience by having reduced dependency on global supply chains, enhanced collaboration, quicker response times & flexibility and enhance quality control through closer oversight.

As seen below, majority of our suppliers are locally sourced.

Figure 5: Proportion Of Spending On Local Suppliers*



The average percentage of our procurement budget spent on local suppliers across the Group is 79%. This reflects our commitment to strengthening local economies, reducing emissions, and advancing our sustainability objectives.

**The change in the figures for this section in comparison to last year's data is due to the alignment with BURSA's mandatory indicators.*

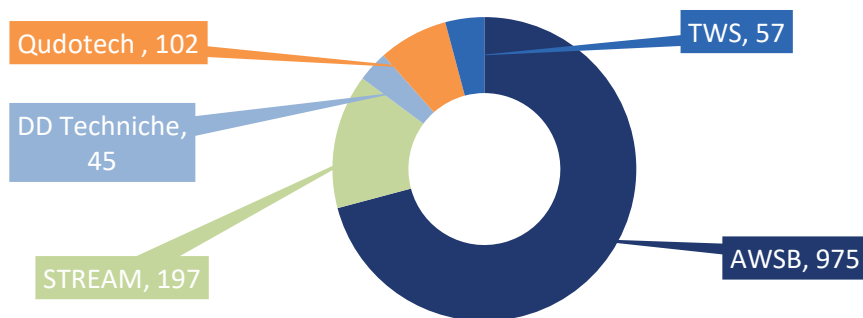
SUPPLY CHAIN MANAGEMENT

GRI 3-2, 3-3, 204-1

► Expenditure on Local Suppliers (cont'd)

Although we work with many suppliers, we make a conscious effort to avoid over-reliance on any single supplier to mitigate the risks of potential disruptions. By diversifying our supplier base, we protect against unforeseen issues and remain agile in a changing market.

Figure 6: Number of Suppliers



We prioritise open communication with our suppliers and contractors, encouraging them to voice concerns through calls, emails, and meetings. Regular discussions and continuous communication help strengthen collaboration. Our procurement practices are continually evolving to provide the best outcome for AWC.

These are the actions and steps taken to ensure that suppliers are compliant, these actions are done periodically:



**Conduct
background checks**



**Evaluate all active
suppliers**



**Monitor supplier
performance to meet
minimum requirements**

In cases of supplier **non-compliance**, we take the following actions:



**Warnings via
Meetings/Memos**



**Defective Items are
Returned**



Supplier Termination

SUSTAINABILITY STATEMENT (CONT'D)

CLIMATE-RELATED FINANCIAL RISKS & OPPORTUNITIES

GRI 3-2, 3-3, 201-2

Climate-related Financial Risks and Opportunities are financial impacts and opportunities that arise due to climate change. These can encompass a wide range of factors, including:

- **Physical risks** such as damage from extreme weather events
- **Transition risks** like policy changes or shifts in market demand for fossil fuels
- **Opportunities related to the transition** to a low-carbon economy such as investing in renewable energy

AWC Berhad recognises the importance of this sustainability issue, as the increasing frequency of climate-related events has impacted various parts of the world, including where we reside. Our focus will be on risk management, cost reduction and efficiency, regulatory compliance, and market opportunities. We plan to conduct internal sessions and workshops in the coming year to address climate-related risks and opportunities, with an emphasis on aligning with the Task Force on Climate-related Financial Disclosures (TCFD) requirements.

Below is the breakdown of the TCFD framework that we will be aligning with:



SUSTAINABILITY STATEMENT
(CONT'D)

GRI 3-2



ENVIRONMENTAL

AWC Berhad acknowledges its responsibility to mitigate its impact on the environment to:

- Reduce operational costs and enhance efficiency.
- Meet the expectations of environmentally conscious stakeholders.
- Fulfil its commitment to ethical and responsible business practices.
- Preserve natural resources for future generations.
- Align with national and global efforts to combat climate change.

In this section, we delve into how AWC Berhad manages the material matters related to the Environmental aspect.

	Material Matter	Why They Matter
	Waste Management	Ensure AWC aligns with industry standards and regulatory requirements as well as minimise environmental impact.
	Water	Sustain and maintain our operations while preserving the ecosystem.
	Energy Management	Enable efficient, cost-effective and smooth operations without interruptions
	Emissions Management	Measure and manage emissions in alignment with national and global commitments as well as maintain air quality.

SUSTAINABILITY STATEMENT (CONT'D)

WASTE MANAGEMENT

GRI 3-2, 3-3, 306-2

Waste Management is important to AWC as we handle facilities and operate in industries that handle hazardous materials. Our waste management involves collecting, treating, recycling and disposing of waste. As a leading environmental engineering firm, AWC designs solutions tailored to Malaysia's needs, adhering to industry standards and regulations.

For many years, AWC has provided sustainable waste management solutions in Malaysia through the Automated Pneumatic Waste Collection and Automated Gravity Vacuum Waste Management systems.

► Impact Highlights

Among our initiatives to improve waste management for clients is enhancing our Automated Pneumatic Waste Collection System for waste collection and disposal. This system is unique because it operates with minimal effort, 24/7. We designed, manufactured and installed the Automated Waste Collection Systems (AWCS), with over 30 years of experience and more than 280 projects globally. With a focus on sustainability and waste management efficiency, our innovative systems use pneumatic or vacuum technology to transport municipal or domestic solid waste from multiple collection points to a Centralised Waste Handling Facility (CWHF).

Objective of AWCS



**Energy
Conservation**



**Environmental
Preservation**



**Resource
Efficiency**

Impacts and Benefits of AWCS

Eliminates direct
contact with waste.

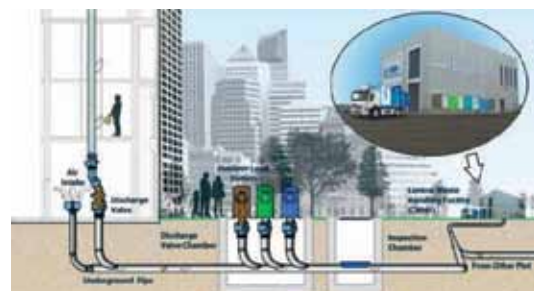
Converting **food
waste** into
**renewable energy
and fertiliser.**

**Minimise carbon
emissions**, lowers
operational costs and
reduces labour.

Provides a **hygienic,
pest-free
environment.**



Central Waste Handling Factory



Automated Waste Collection System Diagram

SUSTAINABILITY STATEMENT
(CONT'D)

WATER

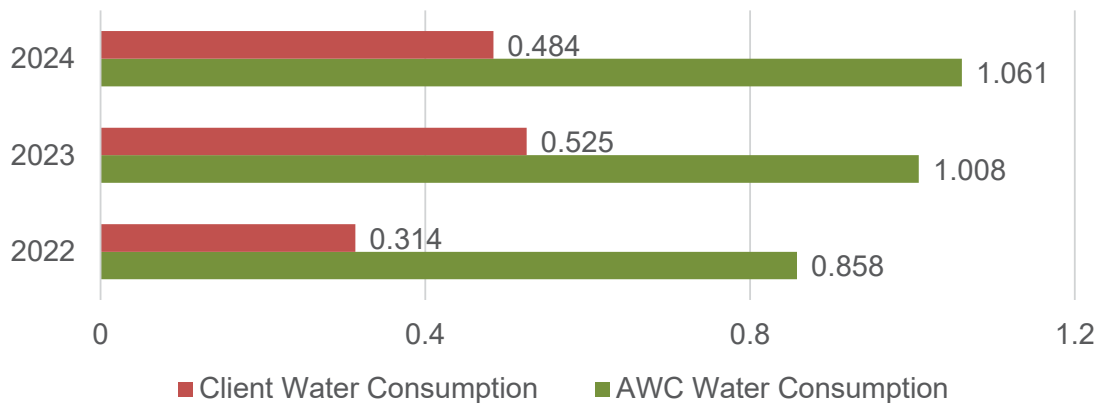
GRI 3-2, 3-3, 303-1, 303-5

We prioritise water management as it is integral to our operations. This section of our sustainability statement highlights our efforts to reduce our water footprint, enhance efficiency through technology and best practices.

▶ **Water Usage**

We have managed to reduce our water consumption compared to the previous year thanks to the introduction of conservation efforts. This includes reminding employees via monthly emails to keep all taps closed when not in use.

As we manage facilities across Malaysia, we closely monitor our clients' water consumption. In 2023, we observed a significant spike in usage, which we traced back to leaking pipes in certain operational areas. This issue was promptly addressed, and moving forward, we have implemented more frequent and thorough inspections to prevent similar occurrences. To further enhance our oversight, we have decided to include our clients' water consumption in this year's reporting.

Figure 7: Total Water Usage (Mega-litres)

SUSTAINABILITY STATEMENT (CONT'D)

WATER

GRI 3-2, 3-3, 303-1, 303-5

► Impact Highlight – Grey Water Treatment System

AWC installed a cutting-edge grey water treatment system at Merdeka 118, dramatically enhancing water conservation and efficiency. This system repurposes wastewater from daily activities, enabling its reuse for irrigation, toilet flushing, and air conditioning.

Benefits from using AWC's Greywater Treatment System



SAVES ENERGY

as treating and reusing greywater typically requires less energy than treating freshwater



SAVES COST

by minimising the amount of freshwater needed for non-potable uses



CONSERVES WATER

by minimising the amount of freshwater needed for non-potable uses



BENEFITS ENVIRONMENT

by reducing the amount of greywater being discharged into water bodies



PROMOTES SUSTAINABILITY

by maximising the use of reusable and available resources



Leadership in Energy and Environmental Design (LEED) Platinum certification

As a result of our grey water treatment system installed in Merdeka 118, PNB Merdeka Ventures Sdn Bhd were awarded the Leadership in Energy and Environmental Design (LEED) Platinum certification in the LEED v2009 Core and Shell rating system and is targeting for Platinum certification from Green Real Estate (GreenRE) and the Green Building Index (GBI).

SUSTAINABILITY STATEMENT
(CONT'D)

ENERGY MANAGEMENT

GRI 3-2, 3-3, 302-1, 302-4

Energy management involves effectively planning, optimising and controlling energy usage within our organisation to achieve cost efficiency and responsible energy use. This is essential to us as it enables us to operate more efficiently, and act responsibly towards the environment, ensuring a sustainable and competitive future.



Minimising the usage of high-powered equipment

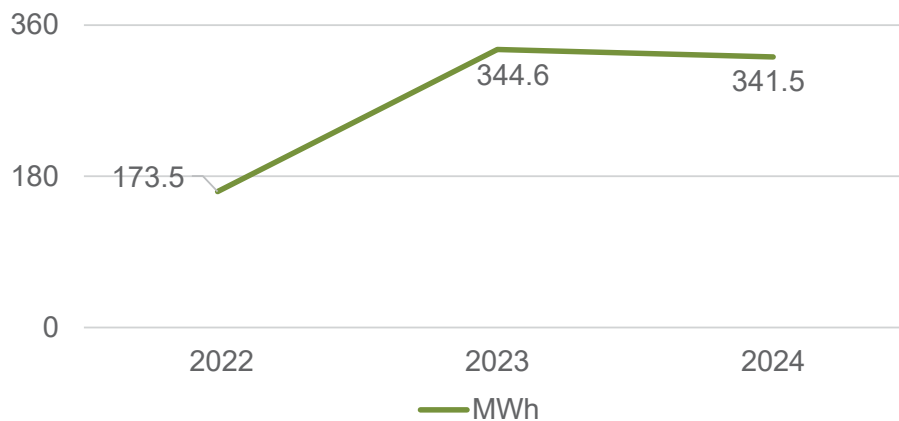


Limiting air-condition use during office hours, temperature control and units used at one time.



Monthly emails to remind all staff to ensure electricity has been turned off

Figure 8: Total Energy Consumption*



As a result of the initiatives we implemented, we slightly reduced our overall consumption this year. This achievement is particularly notable given the sharp spike in energy usage last year, which more than doubled our consumption compared to 2022. Moving forward, we will continue following these steps to maintain stable energy usage.

The next section outlines our initiatives for sustaining and optimising electricity consumption.

**The change in the figures for this section in comparison to last year's data is due to updated data from some subsidiaries.*

SUSTAINABILITY STATEMENT (CONT'D)

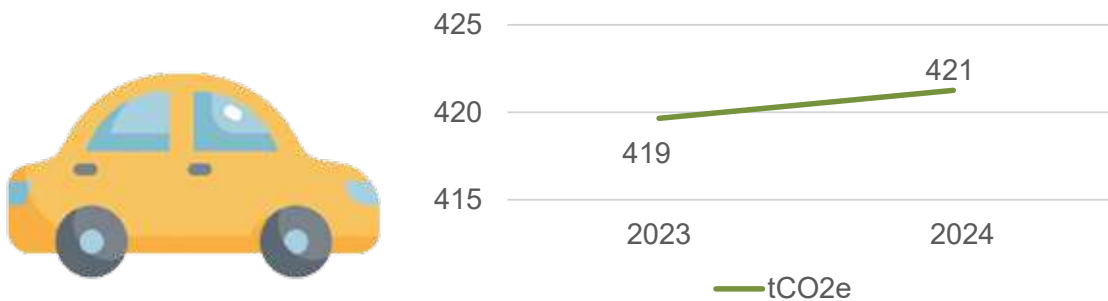
EMISSIONS MANAGEMENT

GRI 3-2, 3-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-5

At AWC, managing and reducing carbon emissions is central to our commitment to sustainability. Emission management involves measuring, mitigating and minimising greenhouse gas emissions & pollutants from our operations. We are dedicated to limiting our environmental impact.

► Scope 1 Emissions

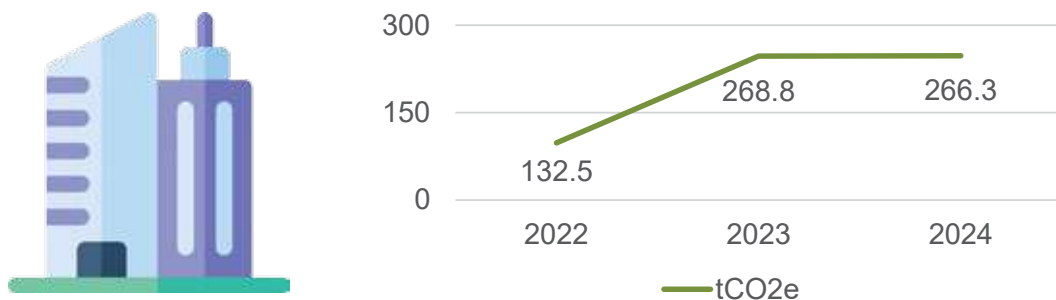
Scope 1 emissions are emissions generated from company vehicles.



To reduce travelling and emissions, we try our best to have more virtual meetings to reduce the amount of travelling that is done. However, majority of the work at AWC consists of travelling and site visits, which is seen in the increase in emissions for this year.

► Scope 2 Emissions

Scope 2 emissions are emissions generated from purchased electricity used for company operations.



By being mindful of our overall consumption and enforcing strict electricity usage through reminders and emails, we managed to keep our consumption at a similar rate to the previous year. Our preventive measures include limiting the simultaneous use of all air conditioners, setting cooling temperatures between 20-24 degrees, unplugging all sockets during long holidays, and minimising the use of high-powered equipment.

Figures for emissions were calculated through this website.: <https://www.mgtc.gov.my/lcos-sme-calculator/>

SUSTAINABILITY STATEMENT
(CONT'D)

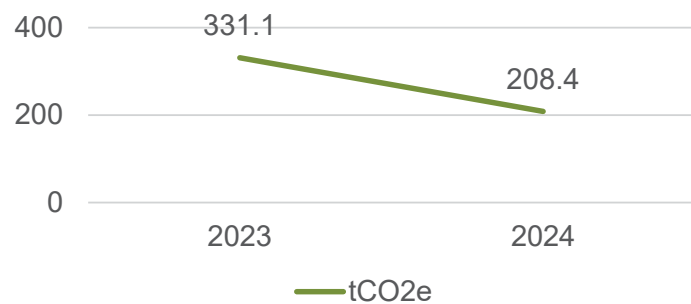
EMISSIONS MANAGEMENT

GRI 3-2, 3-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-5



Scope 3 Emissions

Scope 3 emissions are generated from activities influenced by, but not controlled by the company.



This is our first year reporting on Scope 3 emissions. This disclosure includes business travel by flights and employee commutes via personal vehicles. The majority of these flights were within Malaysia, traveling between Kuala Lumpur, Penang, and other locations. We encourage our staff who are required to go onsite to stay near our operational areas, reducing the distance traveled per employee.

SUSTAINABILITY STATEMENT (CONT'D)



GRI 3-2

SOCIAL

AWC Berhad's operations influence the communities we operate in, and social sustainability is central to our operations. This section covers:

- Our diverse workforce.
- Health and safety of our employees.
- Community engagement.

We recognise that these elements are crucial for building strong, lasting relationships with our stakeholders and for making a positive contribution to society.



Health & Safety Management

Safeguards employees' well-being and ensure a safe, balanced and conducive work environment.



Labour Practices & Standards

Builds and maintains a productive and competent workforce.



Diversity

Encourages innovation as well as foster an inclusive and dynamic work environment.



Community / Society

Fosters positive change and support the communities where we operate in.

SUSTAINABILITY STATEMENT
(CONT'D)

HEALTH & SAFETY MANAGEMENT

GRI 3-2, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-9

We strongly believe that a healthy workforce is key to our success, which is why we consistently take steps to ensure the well-being of our employees. As some of our subsidiaries operate in high-risk environments, health and safety is our top priority. Our measures include proactive safety initiatives, ensuring that everyone is well prepared for their roles and that work-life balance is maintained.

▶ **Workplace Safety**

We prioritise workplace safety by focusing on two main initiatives. First, we regularly survey our workplaces across the Group to ensure a safe working environment and mitigate potential risks. Second, STREAM conducts annual routine audits of our equipment to guarantee optimal operation and minimise associated risks. At a minimum, we perform workplace audits three times a year, while some of our offices conduct these surveys daily.



0 Fatalities
Across the Group



1 Injury
Across the Group

This year we maintained a zero-casualty rate and sustained only 1 injury. This injury was taken care of and the employee has since recovered. Subsequently, we decided to provide multiple briefings covering topics of Risk Assessment (RA), Safe Work Procedure (SWP) and Fall Prevention Plan (FPP) throughout the year which were conducted by an HSE personnel. Thanks to our efforts to keep the workplace safe, our Lost Time Injury Frequency Rate (LTIR) this year is 0.09, much lower at 0.55 from the previous year.

**Safety Training**

Safety training is crucial for our operations. In 2024, **three employees** completed **OSHA (Operational Safety and Health Administration) training**, which is provided to those who have not previously undergone it. This training will be repeated periodically to keep employees refreshed on OSHA guidelines.

**Employee Health Initiatives**

As the nature of our work has more risks, we have provided an initiative to help improve our employees' working life. A total of RM517K was allocated across the Group as insurance coverage for our employees.

**Working Hours**

We adhere strictly to employment laws for working hours, thus we have set our regular working hours to 8-hour days, 5 days a week. Employees have the option to do overtime.

SUSTAINABILITY STATEMENT (CONT'D)

DIVERSITY

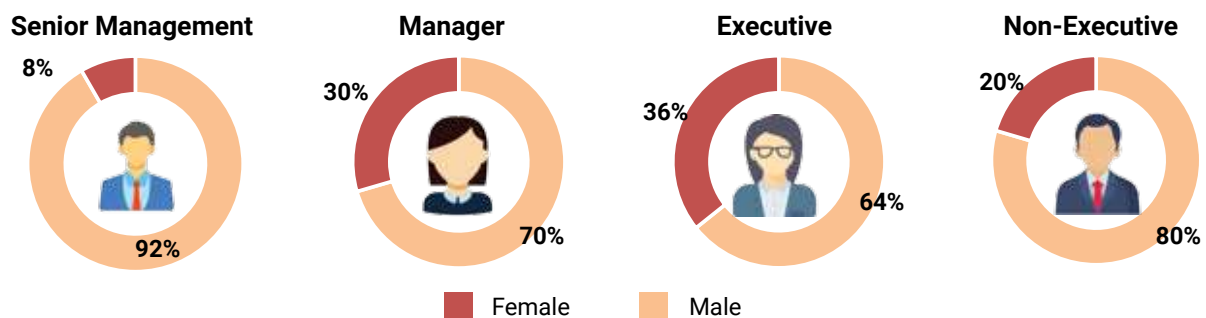
GRI 2-7, 3-2, 3-3, 405-1

Diversity refers to the inclusion and representation of individuals from a wide range of backgrounds such as gender, race, ethnicity and age within an organisation. At AWC, we value diversity because it drives innovation, brings fresh perspectives and creates a vibrant, inclusive workplace culture. By embracing diversity, we can better meet the needs of our varied customer base and stay flexible in changing markets, which is essential when considering continuous growth and progress.

► Inclusive Workforce

At AWC, we strive to be as inclusive as possible when hiring new employees. We adopt an **anti-discriminatory** hiring process because we believe everyone deserves a chance. Candidates are evaluated based on their **skill level and experience**. Due to the nature of our business, which primarily involves labor work, we require a larger male workforce to meet business needs.

Figure 9: Positions by Gender and Age Group



Age	Senior Management	Manager	Executive	Non-Executive	Total
<30	0	2	87	315	404
31-50	7	39	121	354	521
>50	5	16	18	85	124

As seen in figure 9, the makeup of our Group's workforce features a mix of young and experienced individuals. Throughout the financial year, AWC's workforce has experienced a significant boost with the addition of 160 new male employees and 52 new female employees. All our new hires are local.



160
New Male Employees



52
New Female Employees

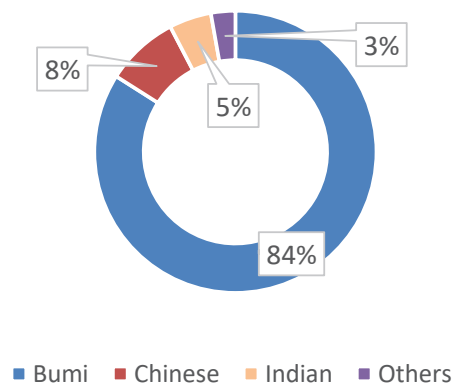
SUSTAINABILITY STATEMENT
(CONT'D)

DIVERSITY

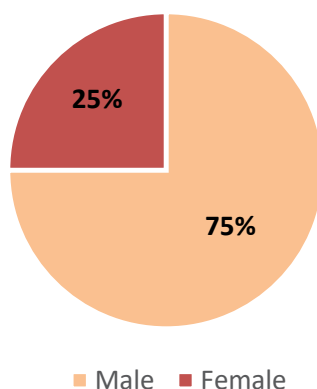
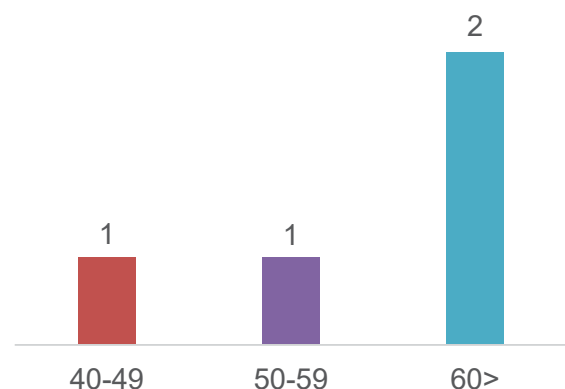
GRI 2-7, 3-2, 3-3, 405-1

► **Inclusive Workforce (cont'd)**

At AWC, our workforce ratio reflects the demographics of our country, with the largest segment being Bumi, followed by Chinese, Indian and other ethnicities.

Figure 10: Group Ethnicity► **Board of Directors**

The Board comprises of five members, representing both genders and various age groups. The Board's composition is designed to provide strategic oversight and guidance, driving the company's long-term goals. Their extensive industry experience ensures that the company is guided towards sustainable growth while adhering to regulatory requirements.

**Figure 11:
Board Members by Gender****Figure 12:
Board Members by Age**

SUSTAINABILITY STATEMENT
(CONT'D)

LABOUR PRACTICES & STANDARDS

GRI 3-2, 3-3, 405-2, 404-1, 404-2, 404-3

Labour Practices and Standards encompass the policies and procedures governing how we manage our workforce, ensuring fair treatment, developing our talent and adhering to legal and ethical employment practices. This is important to AWC as it helps to foster a positive work environment, attract and retain top talent, and align with global sustainability goals, ultimately contributing to the company's long-term success and reputation.

Listed below is our performance for the year:



5,326 hours
of training conducted



0 Cases
of Human Rights Violations

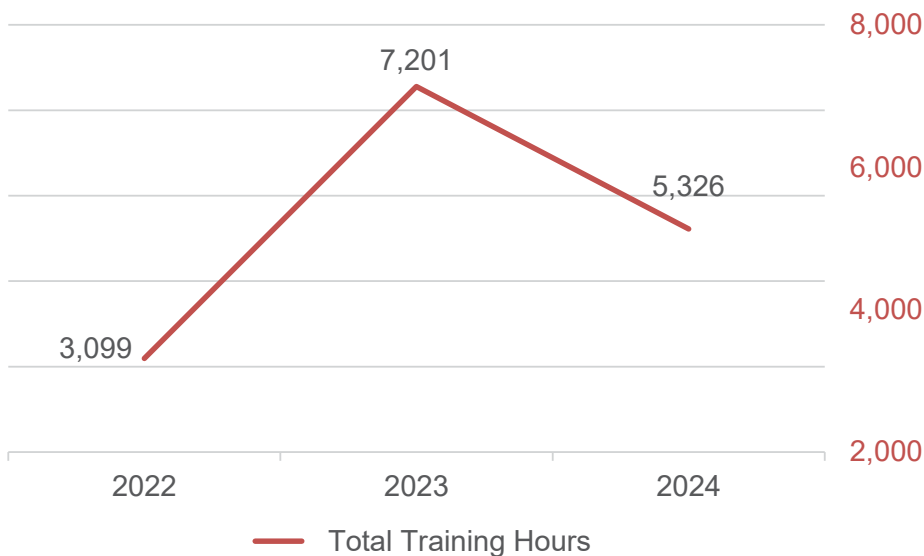


RM390K
total spent on employee
support programmes

► **Training & Development**

In 2024, we observed a decline in total training hours, which contrasts with the spike recorded in the previous year. This year, AWC has made it easier for employees to participate in training by opting for online sessions wherever possible.

Figure 13: Employee Training and Development



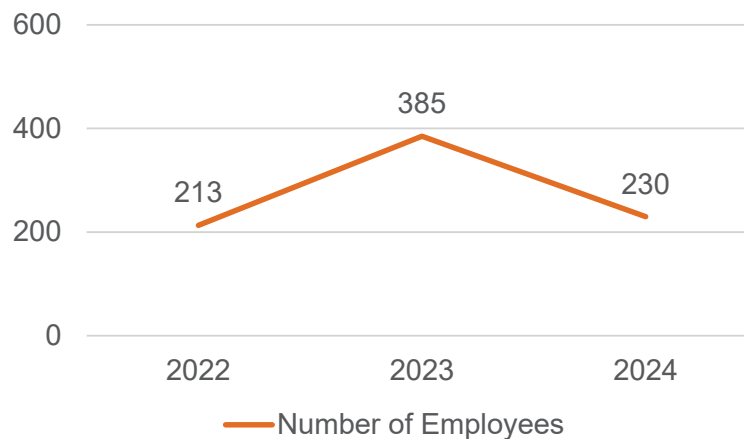
LABOUR PRACTICES & STANDARDS

GRI 3-2, 3-3, 405-2, 404-1, 404-2, 404-3

Employee Turnover

The majority of employees that have left AWC is due to their contracts expiring. This is also because majority of AWC's employees are contracted rather than full time.

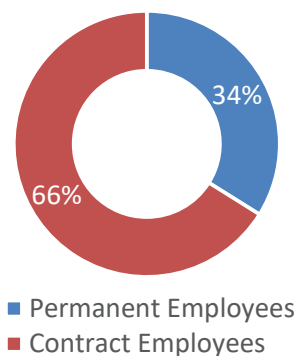
Figure 14: Employee Turnover



Employee Type

Due to the nature of AWC's business, a significant portion of our workforce needs to be retained on a contract basis. Given the wide range of specialisations required, there is a continuous demand for skilled contractors capable of handling projects from minor tasks to large-scale execution. To support our employees, we offer programs such as family days and have increased employee benefits by RM50,000.

Figure 15: Employees by type



361
Permanent Employees



704
Contract Employees

SUSTAINABILITY STATEMENT (CONT'D)

COMMUNITY / SOCIETY

GRI 3-2, 3-3, 405-2, 404-1, 404-2, 404-3

Our commitment to society extends beyond our business operations. This year, we successfully completed five diverse CSR projects. This section highlights our Corporate Social Responsibility (CSR) initiatives and philanthropic efforts undertaken this year, all aimed at fostering positive change in the communities where we operate. With a strong dedication to social impact, we strive to make a lasting difference by empowering and supporting those in need.

► Impact Highlights



Kiwanis Motor Treasure Hunt 2023

RM20,000

We contributed towards the sponsorship of the 40th & 41st Kiwanis Motor Treasure Hunt to support the Kiwanis Down Syndrome Foundation held in July 2023 & June 2024.



Suriana Welfare Society Malaysia

RM16,882

Was raised from our donation campaign of handmade tabletop calendars to support single mothers and trafficked survivors with the help of Suriana Welfare Society.



Vouchers for the Underprivileged

RM105,670

99 Speedmart vouchers were given to our B40 staff in March 2024 within Stream Malaysia to help with living expenses.



FRIM Tree Planting Program

0.5tCO₂e

Of carbon emissions are saved. We collaborated with Forest Research Institute Malaysia (FRIM) as a part of their 100 Million Tree Planting Campaign. Our employees planted a total of 20 trees during this session, worth RM5,000.

Total of 93 Beneficiaries Helped

We have taken great steps to improve the lives of those around us, not limited to the Group but also to the less fortunate. This year we have improved our efforts in CSR by taking on more CSR projects, 5 projects this year compared to 2 projects in the previous year.

<https://www.weforum.org/agenda/2021/08/planting-trees-combat-climate-change/#:~:text=Let%27s%20say%20the%20average%20tree,of%20carbon%20dioxide%20per%20year.>

SUSTAINABILITY STATEMENT
(CONT'D)

GRI 3-2



GOVERNANCE

Governance is a critical component to consider when assessing today's evolving business landscape. A solid foundation forms the basis of AWC's ethical conduct and ensures the following across the entire Group.

In this section, we will be breaking down how AWC Berhad manages its matters related to Governance. Demonstrating a strong adherence to governance practices, we continuously build and maintain trust with our stakeholders.

Material Matter	Why They Matter
 Anti-Corruption	Ensure ethical excellence in our business operations is our responsibility.
 Data Privacy and Security	Secure our stakeholders' privacy and data integrity, as well as their trust.

SUSTAINABILITY STATEMENT (CONT'D)

ANTI-CORRUPTION

GRI 3-2 , 3-3 ,205-1 , 205-2

This section covers practices and policies to prevent corruption within an organisation while promoting ethical and transparent conduct. AWC considers upholding the highest levels of integrity, legal compliance and ethical behaviour to be paramount to its operations.

By openly addressing corruption, we aim to foster a fair business climate, sustain trust with stakeholders, protect our reputation and ensure business longevity.

► Anti-Corruption Policies, Initiatives and Results

AWC Berhad continuously strives to maintain and improve our anti-corruption policies and practices. This year, we conducted **1,072 hours of Anti-Corruption Training** across the entire Group which resulted in:

- **ZERO** reported incidents of corruption
- **ZERO** public legal cases related to corruption
- **ZERO** termination of business partnerships as a result of corruption violations



0 Corruption Cases



**0 Contract Terminations
from Violations**

As part of our commitment in creating a corruption-free environment, AWC Berhad prioritises the values below in the interest of maintaining ZERO corruption cases.



Zero Tolerance
Against corruption across
the organisation and
partnerships



Robust Safeguards
With clear codes of ethics
and anonymous
whistleblowing channels



**Transparent
Accountability**
Towards policy violations –
violators face significant
consequences

SUSTAINABILITY STATEMENT
(CONT'D)

DATA PRIVACY AND SECURITY

GRI 3-2, 3-3, 418-1

Data privacy and security is about protecting sensitive information and complying with data protection regulations (Personal Data Protection Act). In 2024, with digital threats ever-present, data privacy and security are more vital than ever.

For AWC, maintaining robust data privacy and security is crucial because it ensures customer and employee trust, shields the Group from legal and reputational risks and supports our commitment to ethical and responsible digital practices.

► Data Protection and Safeguards

Due to the cyber attack that impacted us two years ago, as well as similar incidents affecting other companies, we have strengthened and diligently maintained the measures implemented to mitigate this risk. This year, we upheld our data privacy and security protocols to prevent data breaches or cyber attacks. While continuing to enforce our existing preventive measures, we are constantly seeking ways to improve our policies and efforts.

Current Policies & Efforts:



Manage, Detect, Respond

A new software was installed to automatically isolate infected computers that could not be cleansed

Real-Time Backup

A new system for real-time backup was implemented, limiting possible data loss to a maximum of a few days



Off-Site Backup

Weekly off-site backups are also executed to minimise potential data loss to a maximum of one week

SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	0.00
Executive	Percentage	0.00
Non-executive/Technical Staff	Percentage	0.00
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	147,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	93
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	4.00
Management Between 30-50	Percentage	68.00
Management Above 50	Percentage	28.00
Executive Under 30	Percentage	38.00
Executive Between 30-50	Percentage	54.00
Executive Above 50	Percentage	8.00
Non-executive/Technical Staff Under 30	Percentage	42.00
Non-executive/Technical Staff Between 30-50	Percentage	47.00
Non-executive/Technical Staff Above 50	Percentage	11.00
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Total Number of Employees Under 30	Percentage	38.38
Total Number of Employees Between 30-50	Percentage	49.58
Total Number of Employees Above 50	Percentage	12.04
Gender Group by Employee Category		
Management Male	Percentage	70.00
Management Female	Percentage	30.00
Executive Male	Percentage	64.00
Executive Female	Percentage	36.00
Non-executive/Technical Staff Male	Percentage	80.00
Non-executive/Technical Staff Female	Percentage	20.00
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Total Number of Employees Male	Percentage	76.00
Total Number of Employees Female	Percentage	24.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	75.00
Female	Percentage	25.00
Under 30	Percentage	0.00
Between 30-50	Percentage	25.00
Above 50	Percentage	75.00

SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	341.50
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.09
Bursa C5(c) Number of employees trained on health and safety standards	Number	3
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	942
Executive	Hours	2,025
Non-executive/Technical Staff	Hours	2,359
General Workers	Hours	0
Total Amount of Training	Hours	5,326
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	66.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	13
Executive	Number	60
Non-executive/Technical Staff	Number	157
General Workers	Number	0
Total Number of Employees	Number	230
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	79.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1.061000

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS ACTIVITIES

AWC Berhad ("AWC" or "the Company") is an investment holding company with three core activities undertaken by its subsidiaries (collectively, "the AWC Group" or "the Group"), providing Total Building Solutions in the following divisions:-

NO.	Division	CORE ACTIVITIES
1.	Facilities Division	<p>Provides integrated facilities management ("IFM") services for the buildings and facilities maintained by the division. This includes biomedical, facilities engineering maintenance services, security and cleaning services.</p> <p>This division's main source of income is derived from a Concession awarded by the Federal Government to provide IFM services to the Southern Zone (comprising states of Johor, Malacca and Negeri Sembilan) and Sarawak. In addition to the Concession, we have been contracted to undertake the Critical Asset Refurbishment Programme ("CARP"), whereby we will undertake repairs, refurbishments and replacements of critical assets as predetermined by the Federal Government in the buildings and facilities under the Concession. The tenure for both the Concession and CARP is for a ten-year period from 1 January 2016 till 31 December 2025.</p> <p>The division also carries out IFM work for Commercial and Healthcare segments.</p> <p>The subsidiary companies operating under this division are Ambang Wira Sdn Bhd, Ambang Wira Facilities Sdn Bhd and Ambang Wira Healthcare Sdn Bhd.</p>
2.	Environment Division	<p>This division provides the design, supply, installation, testing and commissioning of automated pneumatic waste collection systems under the proprietary brand of 'STREAM' ("STREAM AWCS") with on-going projects located in Malaysia, Singapore, Taiwan, Hong Kong, India and the Middle East.</p> <p>This division also undertakes operations and maintenance ("O&M") services of its STREAM PWCS for its clientele, where required.</p> <p>The subsidiary companies operating under this division are Stream Group Sdn Bhd, Stream Industries Sdn Bhd, Stream Environment Sdn Bhd, Stream Environment (S) Pte Ltd, Premium Patents Sdn Bhd, Stream Automated Facility Management L.L.C. – O.P.C. (UAE), Stream Environment Protection Equipment Trading L.L.C. (UAE), PT Stream Environment Solution (Indonesia) and Stream Environment Co. Ltd (Saudi Arabia) (collectively "Stream Group").</p>
3.	Engineering Division	<p>This division is a distributor of several international brands of building controls and engineering components for heating, ventilation & air conditioning (or commonly known as "HVAC") systems and provider of building management systems in Malaysia and Singapore.</p> <p>The division undertakes larger projects in the HVAC field as a contractor for the implementation of full air conditioning systems and other Mechanical and Electrical Engineering ("M&E") works for buildings and facilities.</p> <p>These activities are carried out via M&C Engineering and Trading Sdn Bhd and M&C Engineering and Trading (S) Pte Ltd.</p> <p>It also undertakes all types of plumbing related works including cold/hot water and sanitary plumbing, via Qudotech Sdn Bhd ("Qudotech"). Qudotech has been active in the field since 1995. Qudotech undertook previously and are currently implementing several significant projects. Another wholly-owned subsidiary, DD Tehniche Sdn Bhd ("DDT") holds two exclusive dealerships for the distribution of Rainwater Harvesting Components and Products ("RHCP") in Malaysia. DDT undertakes the design, supply and installation of RHCP for all new and refurbished buildings.</p> <p>The plumbing and RHCP businesses are carried out via Qudotech and DDT.</p>

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF BUSINESS ACTIVITIES (CONT'D)

NO.	Division	CORE ACTIVITIES
4.	Rail Division	<p>The division provides railway construction and maintenance solutions by supplying and providing specialized services in the areas of the railway track, depot and rolling stock. This ranges from the manufacturing and trading of track materials, tools, equipment and machinery, supplying of depot equipment and tools, supplying rollingstock components and interior works, to providing track diagnostics and monitoring systems in Malaysia.</p> <p>It is also able to provide refurbishment works and maintenance activities for rolling stock, equipment and for machinery as well as specialized services such as design, engineering, technical support and supervision for track construction or maintenance activities.</p> <p>Additionally, this division represents Principals from Europe, USA, Australia and China who manufacture and supply lifting equipment, precast polymer concrete crossing, track construction machinery, buffer stops, wheels, prestressed concrete sleepers, rail fastenings, turnouts, crossings and expansion joints.</p> <p>The division's customers comprise all rail asset owners and operators in Malaysia.</p>

OBJECTIVES & STRATEGIES

The Group's long-term objective is to be a leading, Malaysian-grown, engineering services group in Asia providing Total Building Solutions. Our objective is balanced with a commitment towards environmental conservation and protection in everything we do.

In line with our overall objectives, we have set out shorter-term goals for the Group and for each division. These are defined in our business plans while annual targets and priorities are underlined in our annual budget. Our business plans include amongst others:-

- a) Analysis of current business environment together with commercial updates and unique challenges experienced by each division. We analyse the outlook, challenges and prospects for the immediate future (i.e. the next two financial years), and prospects beyond that, both from an operational and financial point of view. With our assessment of the future in hand, we then strategize our way forward to best face the challenges and also to take advantage of opportunities that may present themselves.
- b) Divisional objectives together with the corresponding strategic directions and action plans to be embarked upon to:-
 - i. achieve the prescribed targets and goals.
 - ii. address the specific circumstances and challenges affecting each division in achieving those targets and goals.
- c) An assessment of various risks associated with each division and the overall Group, and also of controls in place or planned to address or mitigate these risks.
- d) Assessment and justification of requirements envisaged to undertake the business plan and towards achieving set objectives.
- e) Action plans to be undertaken to head in the appropriate direction or to achieve set objectives.
- f) Clearly defined management accountabilities and operational responsibilities.
- g) Proposed timeline for the implementation and achievement where relevant of each strategic direction and action plan.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OBJECTIVES & STRATEGIES (CONT'D)

- h) A framework for the control and monitoring of the progress of every strategic direction and action plan implemented. This would enable us to vary and/or re-strategize our action plans to take into account the situation on the ground.
- i) Renewed focus on developing and growing the Group's Environmental, Social and Governance (ESG) related businesses and facilitate the continuing growth of the Group's core business as a diverse ESG player.

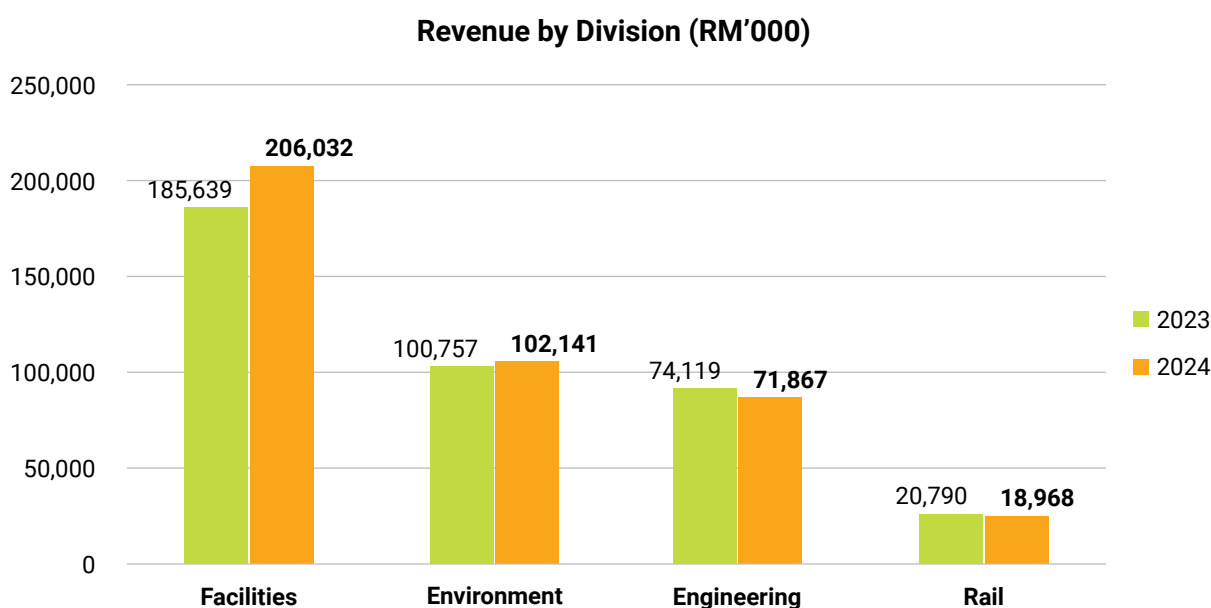
The annual budget exercise deals with the above matters but goes into more depth looking at contemporary business conditions and updates. We regularly review the Income Statement and Balance Sheet on a detailed basis for each division and subsidiary. We cover revenue (current and projected), progress of projects, operational issues and costing related matters. In reviewing projected revenue, we constantly assess our order book and project pipeline (i.e. potential projects) and cross-selling opportunities within the Group. The Board is regularly updated at Board meetings regarding the financial performance of the Group and individual divisions against the budget approved, as well as against the previous financial year.

Where necessary, our budget (and our business plan) would be revised to accommodate the latest social economic developments and business updates.

REVIEW OF FINANCIAL RESULTS AND OPERATING ACTIVITIES

Revenue

For the FYE 2024, AWC Group's revenue grew modestly year-on-year ("YoY") to RM399.0 million from RM381.3 million. The major contributor to the Group's top-line was the Facilities division and Environment division, both of which had reported YoY growth. On the other hand, the Engineering division and Rail division reported a slight decrease in revenue in the current financial year as compared to FYE 2023. Each division's revenue contributions are depicted in the chart below:



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS AND OPERATING ACTIVITIES (CONT'D)

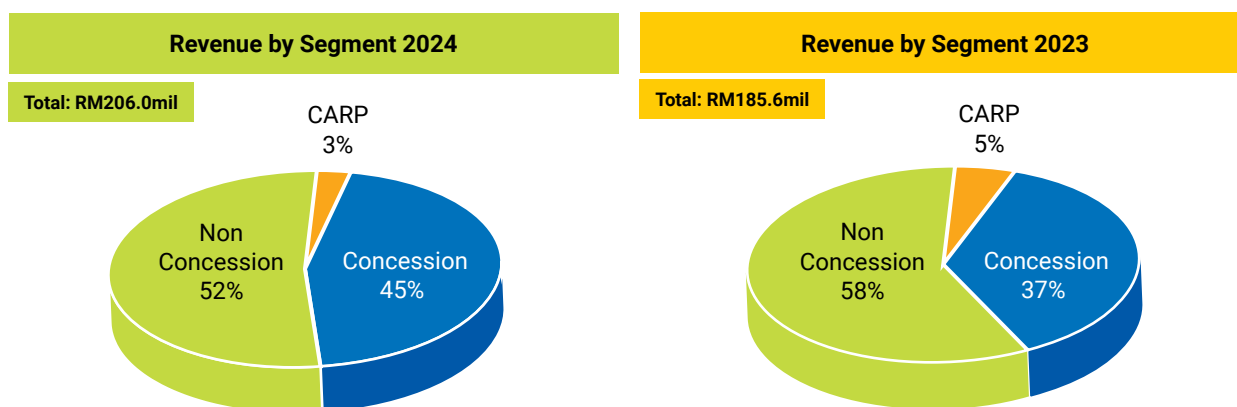
Facilities Division

The Facilities division reported a commendable 11% YoY growth in revenue with RM206.0 million for FYE 2024, contributing 51.6% to our total Group revenue, as compared to the RM185.6 million in FYE 2023. The higher revenue was made possible mainly from:

- Recognition of revenue from additional works completed under the Concession segment amounting to RM27.0 million.
- Recognition of Critical Asset Refurbishment Programme ("CARP") revenue amounting to RM5.1 million.
- Full year contribution from new contracts secured in the previous financial year including PSK Perak and IKN which contributed RM42.9 million in revenue.
- The Commencement of new contracts secured under the Non-Concession segment during the year including the Integrated Facilities Management for Bangunan Darul Ehsan (Menteri Besar Incorporated).

The division reported a profit of RM0.7 million in FYE 2024, a stark turnaround from its first ever loss of RM5.9 million reported in FYE 2023. The turnaround was helped by one-time inter-division receivables write-back amounting to RM2.9 million, completion of additional works and CARP related works at concession sites with favourable margin recognition and better cost management initiatives.

The businesses in the Facilities division are broken into the Concession and Non-Concession segments. The Concession segment contributed approximately 45.3% to the total revenue of Facilities division in FYE 2024 whilst the Non-Concession segment contributed 52.2%.



Environment Division

The Environment division revenue stayed above the century mark, coming in at RM102.1 million for FYE 2024, making up approximately 25.6% of our total Group revenue and a very modest growth from RM100.8 million in FYE 2023. The higher revenue was achieved thanks to better project progress experienced across all the major operating segments of the division namely Malaysia, Singapore and the Middle East. The favourable margin revision from the final accounts of a few projects in the Singapore and Middle East segments and the reversal of defect liability period provision in all regions helped the division to the higher revenue recorded and along with it significantly better profitability across the board.

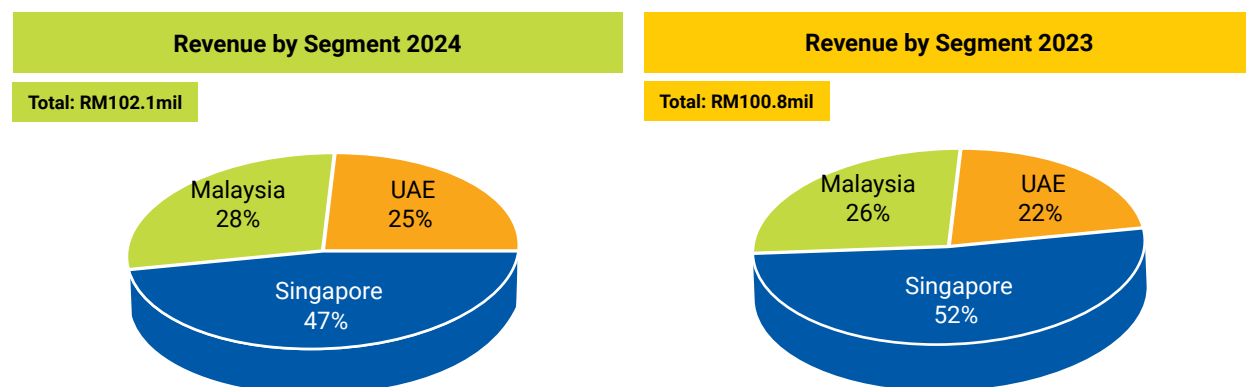
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS AND OPERATING ACTIVITIES (CONT'D)

Environment Division

STREAM Group's profit for the year surged by 30.2% to RM22.0 million in FYE 2024 from RM16.9 million in FYE 2023. In the previous financial year, the division's profitability was hampered by a few unforeseen events including several projects turning onerous in Singapore and impairments on trade receivables. STREAM Group's replenishment of order-book was at record high during the financial year under review, helped by the successful penetration into new markets in the Middle East region.

More than 45 projects were completed and handed over during FYE 2024 across the three major operating regions. In Malaysia, STREAM Group completed amongst others Trion 2, Mah Sing M Adora, and Paramount Plot 4. Across the Causeway, 15 projects were handed over during the financial year, notably Normanton Park, Dairy Farm Residences, Kopar @ Newton, The M Parc Clematis, 19 Nassim, Leedon Green, Sky Everton, Amber Park, Meyer Mansion, Clavon, Midtown Suite. STREAM Group's operations in the Middle East region in Abu Dhabi, United Arab Emirates was bustling with projects where more than 25 projects were handed over during FYE 2024: Al Mihri, Al Sweidi, Capriole and Qumra just to name a few.



Engineering Division

For FYE 2024, the Engineering division reported a revenue of RM71.9 million, representing a slight decrease of 3.0% from RM74.1 million recorded in FYE 2023. The division contributed 18.0% in revenue to the Group as a whole.

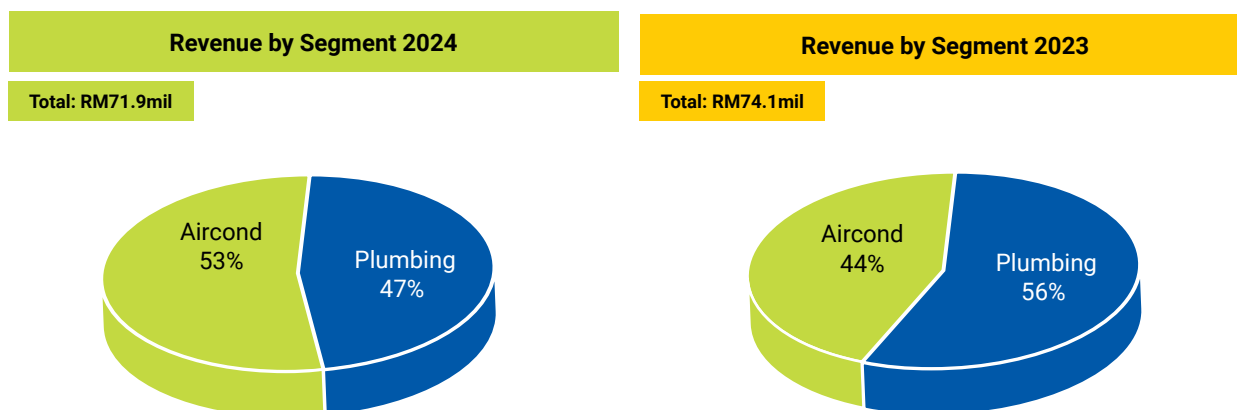
Our Singapore air-conditioning unit continues its improved performance with higher trading sales and maintenance servicing contributing to the 13% YoY growth. Singapore market continues to be buoyed by the rising demand of data centres and uptake in Building Automation System (BAS) and Building Management System (BMS) solutions. During the year, our rainwater harvesting unit managed to report a stellar 27% growth in revenue thanks to higher rainwater harvesting solutions and siphonic system sold during the financial year. The only unit with a decrease in revenue was our specialized plumbing unit, where the stop-work order for the 8 Conlay project, slower progress experienced from existing and new projects secured by the unit and revision in profit margin of TP24 project had impacted the top-line of the division. The percentage of completion of some of the major projects of the division at the end of FYE 2024 includes: Merdeka 118 project at 96.2% as compared to 88.9% in FYE 2023, PNB 1194 project at 96.2% vs 86.7% at the end of FYE 2023 while the TRX Hotel & Office was at 65.2% completion vs 12.1% at the end of FYE 2023.

Despite the slight drop in revenue, the division's profitability jumped more than 2 folds to RM6.8 million in FYE 2024. Higher trading sales and maintenance services from the Singapore air-conditioning unit which had enabled the unit to report a 44% increase in profitability along with the higher rainwater harvesting and siphonic system sales with better product mix from our rainwater harvesting unit contributed to the significantly improved performance. The recovery from previously impaired receivables and contract assets amounting to RM3.3 million by our specialized plumbing unit catapulted the division to its best-ever profit recorded in history.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS AND OPERATING ACTIVITIES (CONT'D)

Engineering Division (Cont'd)



Rail Division

The division reported a revenue of RM19.0 million in FYE 2024, declining by 9% from RM20.8 million in FYE 2023. Lower order fulfilment due to design change as well as shipping delays relating to a number of key contracts of the division along with lesser favourable product mix during the year under review were the key factors that impacted the revenue of the division. Despite the lower revenue recorded, the division had managed to turn profitable again thanks mainly to higher commissioning income received amounting to RM0.3 million and recovery in bad debts previously written off amounting to RM1.4 million relating to the LRT refurbishment project.

The division had completed and handed over a number of projects in the current financial year including: Supply of Glue Insulated Rail Joints for the Gemas - Johor Baru Electrical Double Tracking Project, Supply and Installation of seat cushion pad and cover for ETS 93 Class and SCS 92 Trains under KTMB, Permanent ways works consisting Design, Manufacture, Supply, Deliver, Test and Commission along with Warranty for Self-Propelled Modular Track & Ballast Maintenance Vehicle (Geismar BLH20) and Supply of Prestressed Concrete Turnout Bearer for T250A Project.

FINANCIAL POSITION

The Group's balance sheet remains solid, sitting on a net cash position of RM19.1 million and a net cash per share of 5.7 sen as at 30 June 2024.

Current assets and current liabilities stood at RM376.3 million and RM167.4 million respectively, translating to a current ratio of 2.25. Our Group's receivables stand at about RM157.6 million while payables are at RM91.4 million.

Total net assets amounted to RM211.6 million, or 65.4 sen per share, a decrease from RM223.8 million, or 70.5 sen per share in FYE 2023.

Overall, our balance sheet remained on solid footing with sufficient working capital to execute all the existing projects in our order book. The Group's businesses are able to sustain an asset light approach due to the nature of low capital expenditure ("CAPEX") requirement. As such, there are no plans to undertake any significant CAPEX in the foreseeable future.

We do not foresee that there will be any significant change to AWC's capital structure, except for the impact from new shares issued in line with the exercise of the ESOS by the Group's eligible employees.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CORPORATE DEVELOPMENT

On 15 December 2023 and 27 December 2023 respectively Trackwork & Supplies Sdn Bhd and Stream Group Sdn Bhd became wholly owned subsidiaries.

On 28 January 2024, a wholly owned subsidiary, Stream Environment Co. Ltd, Kingdom of Saudi Arabia, was incorporated.

On 7 March 2024, Stream Group Sdn Bhd – Dubai, a branch was converted into a subsidiary named Stream Environment Protection Equipment Trading L.L.C.

On 13 March 2024, a wholly owned subsidiary, PT Stream Environment Solution, Indonesia, was incorporated.

On 29 May 2024, the Group announced the payment of interim dividend amounting to 0.5 sen per share in respect of FYE 2024.

On 3 June 2024, Stream Group Sdn Bhd – Abu Dhabi, a branch was converted into a subsidiary named Stream Automated Facility Management – L.L.C – O.P.C.

On 27 August 2024, the Group announced the proposed payment of final dividend amounting to 0.5 sen per share in respect of FYE 2024.

KEY RISKS

The Group's risk exposure of reliance on contracts is mitigated by having a diversified portfolio to generate a steady stream of income. We also have a balanced portfolio of government and private contracts.

The Group is also exposed to foreign exchange risks due to its international operations, namely the Singapore Dollar, the United State Dollar and United Arab Emirates Dirham. The volatility of these foreign currency affects both our revenue and costs incurred, where contracts outside Malaysia are in the respective foreign currencies. Further information on currency exposure is set out in Note 33(b)(iii) to the financial statements.

Analysis of other key financial risks such as liquidity risk, credit risk as well as capital risk management are discussed in Note 33(b) to the financial statements.

FUTURE DIRECTION

Coming from the highest ever replenishment of new contracts in FYE 2023, AWC's Group recorded a more normalized orderbook replenishment to the tune of RM271 million in FYE 2024. This represented a win-rate of more than 20% against the RM1.2 billion Tender book recorded during the year under review. The win-rate was well above AWC's internal benchmark of a modest 10% hit-rate of projects tendered for. Group's Orderbook as of 30 June 2024 stood at RM702 million.

For the Facilities division, orderbook was at approximately RM357.5 million as at 30 June 2024. The Concession segment of the division together with the balance of CARP related works made up approximately RM99.6 million. The balance of approximately RM257.9 million consists of contracts under the Non-concession segment, a large part of this is under the Healthcare segment involving hospitals, healthcare institute and state government clinics.

The Environment division's outstanding orderbook was at approximately RM165.1 million, a large part of it consisting of STREAM Group's projects internationally namely Singapore and the Middle East region. The Engineering division had an orderbook of RM108.7 million as of 30 June 2024 while the Rail division rounded up Group's orderbook with project orderbook at RM70.9 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FUTURE DIRECTION (CONT'D)

The Facilities Management (FM) industry in Malaysia has shown significant growth and evolution in recent years, driven by various factors including urbanization, economic development, and the increasing complexity of managing facilities. Overall, the outlook for the FM industry in Malaysia appears to be promising, characterized by opportunities for growth and innovation as businesses adapt to new challenges and demands. This however has led to increase in competition from local firms as the barrier of entry is considerably low compared to other industries. Nevertheless, Ambang Wira Sdn Berhad (AWSB) being one of the pioneers in the local FM industry since the 1990s is well-positioned to continue its presence due to its scale of operations, sound financial capabilities and excellence in service delivery that form a solid foundation for further growth in the future. Adapting to technological advancement in operations, as well as increasing demand in sustainable practices, AWSB is embarking new offerings, to offer value-added services to clients in both public and private sector such as energy management tools and energy performance contracting (EPC).

The growth of the Environment division continues to be supported by the robust orderbook replenishments, which was on a record high in FYE 2024 exceeding RM130 million in new projects secured. Whilst the AWC Group has started consolidating 100% of STREAM Group's earnings from the second half of FYE 2024, a full year contribution from FYE 2025 onwards shall see the fortunes of the Group improving significantly. The division has seen its market development and product development strategies translating positively to the performance of STREAM Group where new markets has brought about new businesses while new product offerings such as the waste compactor, paper shredder, food waste collection system and linen management system being favourably accepted by clients. A case in point where multiple solutions are installed in a development is for the Merdeka 118 where we have had multiple automated collection systems integrated into the building: general waste, food waste, and paper shredder. We aim to capitalise on our patented shuttle system, serving as our sustainable competitive advantage to secure more projects and improve the performance of the Automated Waste Collection System (AWCS) in creating a cleaner and better environment.

With a solid project pipeline and strategic focus on high-demand sectors such as data centres and residential buildings, our Engineering division is poised for significant growth in FYE 2025. The demand for data centres has been on the rise in Malaysia and Singapore due to increased digitalization and cloud computing needs and we continue to see more opportunities for various mechanical, electrical and plumbing works including BAS, BMS, hydronic, siphonic systems and RWHS. Besides new developments, we are seeing an uptick in the retrofit market for existing buildings in Singapore including but not limited to transportation hubs, office buildings, logistics warehouse, and higher learning institutions. This presents the division with greater opportunities to partake in major retrofit works, echoing on our Environment division's track record in the refurbishment of HDB Housing in Singapore. Similarly, contracts landed by competitors will also translate into increase in trading orders from our system partners for our RWHS components in Malaysia mainly.

Trackwork & Supplies Sdn Bhd (TWS) expects its twin pronged approach in asset management and construction of new railway networks to boost the rail division's growth in the upcoming year. Among key drivers for revenue stems from TWS constant engagement with rail network operators to support them in preventative maintenance and leveraging on the power of technology to maximize their usage of assets efficiently and effectively and optimize costs via predictive maintenance strategies. Through our technologies and constant investment in training for staff and clients, we envision more collaborations between railway operators, infrastructure managers, maintenance contractors, and technology providers as we pursue continuous improvement in railway maintenance standards and methodologies. We expect our solutions and offerings to be well received for upcoming railway projects namely the Mutiara Line LRT in Penang and KVMRT3. At the same time, TWS continues to explore other revenue streams related to transportation industry to transform the company into a specialist in transportation sector.

While our current contracts will ensure sustainable operational activity well beyond 2025 and providing strong foundations for future growth, AWC Group will continue to pursue cost optimization initiatives and value engineering propositions for our clients to mitigate any cost escalation experienced in our procurement processes. We are well-positioned for a better year ahead, driven by robust orderbook, strategic market positioning, and a commitment towards innovation. By leveraging on our existing project references and exploring new opportunities, the Group will be able to boost our growth trajectory and solidify our standing in the marketplace. The completion and handing over of the world's second tallest building, the Merdeka 118 sometime in FYE 2025 is expected to enhance the Group's reputation further, marking a significant milestone in the Group's history. AWC Group is proud to be part of it where three of our solutions are currently installed in the building: STREAM Group's AWCS, Qudotech's plumbing solutions and DD Techniche's grey water harvesting system.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FUTURE DIRECTION (CONT'D)

Human Resource Considerations

We continuously work towards securing the appropriate talent pool that will enable us to solidify our management team, both for the immediate and long-term future. This is done throughout all our four Business Segments. Human capital development and training is a key human resource requirement, and all employees are required to attend training and seminars as part of their personal development programme. We acknowledge that the growth and development of human capital through the building blocks of personnel training, positive corporate culture and healthy workplace remain critical in propelling the Group to new heights. In line with this, further emphasis shall be in place to identify, retain and attract this intangible asset within and outside the Group.

AWC launched its Employee Share Option Scheme ("ESOS"), with the first offer to employees on 6 November 2015 and subsequent offers in the periods following the initial launch. With the continued improvement in AWC's share price since then, and with the strong order book in hand, we believe the ESOS is a good tool in garnering employee loyalty and commitment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of AWC Berhad (“AWC” or the “Company”) recognises the importance of maintaining high standards of corporate governance for transparency, accountability, integrity and a well-managed company. As a fundamental part of discharging its duties and responsibilities, the Board is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries (“the Group”) to enhance shareholders’ value, and to be consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance (“MCCG”).

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report (“CG Report”), based on a prescribed format as enumerated in Paragraph 15.25(2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) so as to provide a detailed articulation on the application of the Group’s corporate governance practices as set out in the MCCG throughout the financial year ended 30 June 2024 (“FYE 2024”). The CG Report is available on the Company’s website at www.awc.com.my, as well as via an announcement on the website of Bursa Securities.

This Corporate Governance Overview Statement makes reference to the following three (3) key principles of the MCCG: -

- a. Principle A - Board Leadership and Effectiveness;
- b. Principle B - Effective Audit and Risk Management; and
- c. Principle C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1. Board Roles and Responsibilities

- 1.1 The Board is responsible for the overall performance and business affairs of the Group. The Board provides necessary leadership, which includes practicing a high level of good governance to ensure the long-term success of the Group and the delivery of sustainable value to its stakeholders.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board, matters reserved for the Board, as well as those which the Board may delegate to the Group Chief Executive Officer/President. For the effective function of the Board, the Board has established the following Board Committees to assist in the execution of its responsibilities:-

- a. Audit and Risk Management Committee (“ARMC”);
- b. Nomination and Remuneration Committee (“NRC”); and
- c. Employees’ Share Option Scheme Committee.

The Board committees operate in accordance with clearly defined Terms of Reference as reviewed and approved by the Board. The Board Committees’ Terms of Reference can be accessed via the Company’s website, www.awc.com.my.

The Board has reserved a formal schedule of matters for its decision making to ensure that it retains full and effective control of the Group’s strategic plans and direction. It has also exercised oversight of Management and set the appropriate tone at the top while providing thought leadership and championing good governance and ethical practices throughout the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1. Board Roles and Responsibilities (Cont'd)

1.1 (Cont'd)

To enable the Board to effectively discharge its responsibilities in achieving the goals and objectives of the Group, the Board has, amongst others:-

- Promoted a culture of good corporate governance within the Group, reinforcing ethical, prudent and professional conduct;
- reviewed, challenged and decided on Management's proposals for the Group, and monitor their implementation;
- ensured that the Group's strategic plan supports long-term value creation and incorporates economic, environmental and social considerations, thereby promoting sustainability;
- assessed the performance of Management;
- ensured there is a sound framework for internal controls and risk management;
- recognised the principal risks associated with the Group's business, acknowledging that business decisions require the acceptance of appropriate risks;
- set the risk appetite within which the Board expects Management to operate and ensured that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensured that Senior Management possesses the necessary skills and experience, with measures in place to provide for orderly succession planning at both the Board and senior management levels;
- established procedures to facilitate effective communication with shareholders and stakeholders; and
- ensured the integrity of the Group's financial and non-financial reporting processes.

1.2 The Chairman of the Board, Dato' Nik Mod Amin bin Nik Abd Majid, holds a Non-Independent Non-Executive position and is responsible for leading the Board to ensure its effectiveness and integrity, as well as the promotion of good corporate governance practices within the Group.

1.3 The positions of the Chairman and Group Chief Executive Officer/President are held by two different individuals, and each has a clear accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability.

The Chairman is responsible for instilling good corporate governance practices and leadership, and for ensuring Board effectiveness, while the Group Chief Executive Officer/President has overall responsibilities over the day-to-day management of the Group's business and implementation of the Board's policies and decisions. The Executive Director is also accountable to the Board for the overall organisation, management and staffing of the Company and/or the Group as well as the procedures in financial and other matters, including conduct and discipline.

1.4 The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries consistently participate in relevant training programs, conferences, or seminars organised by authorities and professional bodies. This ensures they stay updated on corporate governance developments and regulatory changes pertinent to their role, enabling them to provide valuable advisory services to the Board.

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

1. Board Roles and Responsibilities (Cont'd)

1.4 (Cont'd)

During the FYE 2024, all Board and Board Committees meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.

- 1.5 To facilitate the Directors' time planning, an annual meetings calendar is prepared in advance of each new year by the Company Secretaries. The meetings calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Company's quarterly results were also provided therein.

The notices of Board and Board Committees meetings together with the meeting papers are generally furnished to the Directors via email at least five (5) business days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting. Management and other advisers are invited to attend the meetings to report and brief on their respective areas of responsibility, if required.

The deliberations and decisions of matters discussed in the Board and Board Committees meetings are duly recorded in the minutes of meetings, including whether any Director abstains from voting or deliberating on a particular matter. The draft minutes of meetings are circulated to the respective Chairman of the Board and Board Committees in a timely manner for review before they are confirmed and adopted by members of the Board and Board Committee at their respective meetings. The Company Secretaries also ensures that deliberations at meetings are well documented.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

2. Demarcation of Responsibilities between the Board, Board Committees and the Management

The Board has formalised and adopted a Board Charter which sets out the composition and balance, roles and responsibilities, operation and processes of the Board. It serves as a reference point for Board activities and is designed to provide guidance and clarity to Directors and Management with regard to the respective roles and responsibilities of the Board, Board Committees, Chairman and Group Chief Executive Officer/President, as well as issues and decisions reserved for the Board, the Board's governance structure and authority. This is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities, and the legislations and regulations affecting their conduct.

The Board Charter will be reviewed as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities as well as the latest statutory and regulatory requirements. The Board Charter is published on the Company's website at www.awc.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

3. Good Business Conduct and Healthy Corporate Culture

3.1 Code of Conduct and Ethics

The Board is committed to promoting and maintaining high standards of transparency, accountability and ethics in the conduct of its business and operations. The Board has formalised ethical standards by establishing a Code of Ethics and Conduct for all Directors and employees of the Group, and the core areas of conduct include observing a high standard of corporate governance, handling conflict of interest, management of Group information and corporate disclosure, protection of legitimate business interests, and declaration of any personal or business interests.

The Code of Ethics and Conduct is incorporated in the Board Charter of the Company and published on the Company's website at www.awc.com.my.

The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group and will be reviewed by the Board regularly to ensure that they continue to remain relevant and appropriate.

3.2 Whistle-Blowing Policy

The Group is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. The Group has established the Whistle Blowing Policy that provides a channel to enable employees and other stakeholders to report any suspected breaches of law or regulations or any illegal acts observed in the Group, including financial malpractice or fraud, non-compliance with regulatory requirements, danger to health, safety or the environment, criminal activity and corruption. It also helps to nurture a good organizational culture within the Group and develop a culture of openness, transparency, accountability and integrity, which ultimately formulates standards of corporate behavior creating an ethical corporate climate.

The Board will review and update the Whistle Blowing Policy as and when necessary to ensure that they continue to remain relevant and appropriate.

The Whistle Blowing Policy is published on the Company's website at www.awc.com.my.

3.3 Anti-Bribery & Corruption Policy

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") to encourage a culture of integrity and transparency in all of the Group's activities. This policy which adheres to the MMLR of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally set out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABAC Policy will be reviewed at least once in every three (3) years to ensure that they continue to remain relevant and appropriate. The ABAC Policy is available on the Company's website at www.awc.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I - BOARD RESPONSIBILITIES (CONT'D)

3. Good Business Conduct and Healthy Corporate Culture (Cont'd)

3.4 Directors' Fit and Proper Policy

In line with Paragraph 15.01A of the MMLR, the Board had adopted the Directors' Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Directors who are seeking re-election at the annual general meeting.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is published on the Company's website at www.awc.com.my.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NRC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors of the Group.

3.5 Sustainability Governance

The Board recognises that sustainable business practices are essential for long-term value creation and that running the business responsibly is intrinsically tied to achieving operational excellence.

In terms of structural oversight over sustainability, including strategies, priorities and targets, it is reposed at the Board level with Management being responsible for operational execution with respect to Environmental, Social and Governance factors as part of the Group's corporate strategy.

As fiduciary to the Company's shareholders, the Board is committed to maintaining exemplary corporate governance practices, which include a dedication to ethics, integrity and corporate responsibility. The Board also ensures that the Company's internal and external stakeholders are well informed on the sustainability strategies, priorities, targets, as well as overall performance, which the Sustainability Statement has provided a detailed articulation in this Annual Report.

The Board reviewed, revised, and approved the relevant amendments by incorporating the assessment of the Board's understanding of sustainability issues in the annual performance evaluation that are critical to the Company's performance.

PART II - BOARD COMPOSITION

4. Board Composition and Balance

- 4.1 Currently, the Board has five (5) members as set out in the table below, which comprises a majority of Independent Directors of the Board:-

Name of Board Members	Designation
Dato' Nik Mod Amin bin Nik Abd Majid	Non-Independent Non-Executive Chairman
Dato' Ahmad Kabeer bin Mohamed Nagoor	Executive Director (Group Chief Executive Officer/President)
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj	Independent Non-Executive Director
Sureson A/L Krisnasamy	Independent Non-Executive Director
Datuk Hashim bin Wahir (Appointed on 30 September 2024)	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

4. Board Composition and Balance (Cont'd)

4.1 (Cont'd)

The current Board composition complies with Paragraph 15.02 of the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are independent Directors, and that there is at least one woman Director. The Board also meets the requirements of MCCG to have at least half of the Board comprised of Independent Directors.

- 4.2 The Board acknowledges the MMLR of Bursa Securities, which states that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of twelve (12) years, effective from 1 June 2023. Furthermore, if the Board intends to retain an Independent Non-Executive Director who has served the Board a cumulative term of more than nine (9) years, it must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting, as recommended by the MCCG.

During the financial year under review, none of the Directors has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

- 4.3 The Company has not adopted a policy that limits the tenure of its Independent Non-Executive Directors to nine (9) years. Notwithstanding that, the assessment of the independence of the Independent Directors was conducted annually via annual evaluation to ensure they are independent of any business or other relationship which could interfere with the interest of the Company.
- 4.4 The Board acknowledges the importance of Board and Senior Management composition diversity as recommended by the MCCG. In pursuing diversity agenda, the Directors and Senior Management are sourced from a diverse pool and recruited based on objective criteria, merit and with due regard for diversity in skills, knowledge, experience, age, cultural background, gender and contribution.

The NRC is responsible to consider and nominate new candidates for appointment and make the necessary recommendations to the Board for approval. In this respect, the role of the NRC is detailed in its Terms of Reference, which is accessible on the Company's website, www.awc.com.my.

The Board also via the NRC, reviews the correct mix of skills, business and professional experiences that should be added to the Board annually or as and when required.

The Company is an equal opportunity employer and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

- 4.5 In view of the gained attention of boardroom diversity as an important element of a well functioned organisation, the Board has established and adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at Board and Senior Management level and the same is available on the Company's website at www.awc.com.my.

Currently, there is a female Director on the Board, namely, Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

4. Board Composition and Balance (Cont'd)

- 4.6 The members of the Board are to be appointed in a formal and transparent practice as endorsed by the MCCG. The NRC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NRC will undertake a thorough review of the candidate's criteria, amongst others, qualifications, skills, knowledge, expertise, experience, personal attributes, and the capability to devote the necessary time and commitment to the role.

In searching for suitable candidates for the appointment of Directors, the NRC may receive suggestions from existing Board members, Management, and major shareholders. The NRC is also open to referrals from external sources available, such as industry and professional associations, as well as independent search firms. The NRC is allowed to use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates.

- 4.7 The NRC is chaired by Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj, an Independent Non-Executive Director of the Company.

The NRC Chairperson has led the annual review of Board effectiveness, ensuring that the performance of each Director is independently assessed and lead the succession planning and appointment of future Board members.

Currently, the NRC comprises the following members, all being Independent Non-Executive Directors as identified by the Board:-

Name of NRC members	Designation
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj	Chairperson, Independent Non-Executive Director
Sureson A/L Krisnasamy	Member, Independent Non-Executive Director
Datuk Hashim bin Wahir (Appointed on 30 September 2024)	Member, Independent Non-Executive Director

The activities undertaken by the NRC during the FYE 2024 are as follows:-

- (i) Carried out the assessment and rating of the performance of each Non-Executive Director against the criteria as set out in the annual assessment form, amongst others, attendance at Board or Committee meetings, adequate preparation for Board and/or Committee meetings, regular contribution to Board or Committee meetings, personal input to the role and other contributions to the Board or Committees as a whole.
- (ii) Carried out the assessment and rating of the performance of the Executive Director (Group Chief Executive Officer/President) against diverse key performance indicators, amongst others, financial, strategic and sustainability, conformance and compliance, business acumen/ increasing shareholders' wealth, succession planning and personal input to the role.
- (iii) Assessed and evaluated the independence of the Independent Non-Executive Directors.
- (iv) Assessed the performance of the Audit and Risk Management Committee and Board as a whole.
- (v) Reviewed and recommended to the Board for consideration, the re-election of Dato' Nik Mod Amin bin Nik Abd Majid and Mr. Sureson A/L Krisnasamy, who were due for retirement by rotation in accordance with Clause 85 of the Company's Constitution at the Twenty-Second AGM held on 28 November 2023 ("22nd AGM").

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

4. Board Composition and Balance (Cont'd)

4.7 (Cont'd)

- (vi) Reviewed and recommended to the Board for consideration, the proposed bonus and remuneration package for the Group Chief Executive Officer/President of the Company.
- (vii) Reviewed the Directors' fees and benefits for the Independent Non-Executive Directors.

In accordance with the Company's Constitution, at least one-third (1/3) of the Directors are required to retire from office by rotation annually and shall be eligible for re-election at each AGM. All Directors appointed by the Board shall also be subject to re-election by the shareholders at the AGM following their appointment.

5. Overall Effectiveness of the Board and Individual Directors

- 5.1 The Board has, through the NRC, conducted an annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the FYE 2024. The process was carried out by sending the following customised assessment forms to Directors:-

- i) Performance of Group Chief Executive Officer/President;
- ii) Performance of Non-Executive Directors/Chairman;
- iii) Independence of the Independent Directors;
- iv) Performance of the ARMC; and
- v) Effectiveness of the Board and Board Committees as a whole.

The assessment criteria, amongst others, based on the Key Performance Indicators cover the financial performance and business operations, strategic, operations management and business plans, product development, conformance and compliance, stakeholders' relation, succession planning, attendance, preparation and contribution to the committee meetings.

Based on the evaluations conducted for the FYE 2024, the NRC and the Board were satisfied with the performance of the individual Directors, the Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

5.2 Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FYE 2024, the Board had conducted four (4) Board meetings where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as discussed the business plans and strategies, major investments, strategic decisions as well as the Group's financial performance.

The number of meetings held and attended by each member of the Board and Board Committees during the FYE 2024 are as follows:

Name of Directors	Type of Meetings	Board of Directors	ARMC	NRC
	No. of Meetings Attended			
Dato' Nik Mod Amin bin Nik Abd Majid		4/4	–	–
Dato' Ahmad Kabeer bin Mohamed Nagoor		3/4	–	–
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj		4/4	4/4	1/1
Sureson A/L Krisnasamy		4/4	4/4	1/1
Dato' Dr. Hj Shamsul Anwar bin Sulaiman (Resigned on 1 June 2024)		4/4	4/4	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - BOARD COMPOSITION (CONT'D)

5. Overall Effectiveness of the Board and Individual Directors (Cont'd)

5.3 Directors' Training

The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programmes to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

During the FYE 2024, the Directors have attended the following training programs in compliance with Paragraph 15.08 of the MMLR of Bursa Securities: -

Name of Directors	Title of Seminars/Training attended
Dato' Nik Mod Amin bin Nik Abd Majid	<ul style="list-style-type: none"> Key Amendments to the MMLR of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and other Amendments
Dato' Ahmad Kabeer bin Mohamed Nagoor	<ul style="list-style-type: none"> Key Amendments to the MMLR of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and other Amendments
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj	<ul style="list-style-type: none"> Key Amendments to the MMLR of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and other Amendments Management of Cyber Risk Mandatory Accreditation Programme Part II: Leading for Impact
Sureson A/L Krisnasamy	<ul style="list-style-type: none"> Key Amendments to the MMLR of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and other Amendments Seminar Developments and Impacts of ESG on Corporate Malaysia Malaysia e-Invoicing 2024
Dato' Dr. Hj Shamsul Anwar bin Sulaiman (Resigned on 1 June 2024)	<ul style="list-style-type: none"> Bursa: Conflict of Interest and Governance of Conflict of Interest Key Amendments to the MMLR of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and other Amendments Management of Cyber Risk

The Directors will continue to undergo annually other relevant training programmes, courses, talks, conferences and seminars to keep abreast of relevant changes in laws and regulations, and development in the industry in order to further enhance their skills and knowledge.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION

6. Level and Composition of Remuneration

- 6.1 In view that fair remuneration is crucial to attract, retain and motivate Directors and Senior Management, the Remuneration Policy was established with the objective to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and key senior management.

The Remuneration Policy is available for reference on the Company's website at www.awc.com.my.

The tables below set out the main components and operation of the remuneration structure packages of Directors and Senior Management of the Company:-

(I) Remuneration structure for the Senior Management and/or Directors who hold an Executive role in the Company

Component of pay	Particulars
Base Salary	A fixed salary will be paid for performing the scope of duties and responsibilities and will be reviewed based on the individual performance and achievements of the Company/the Group and comparable market rate within the industry.
Bonus	An annual bonus will be paid to reward, retain and motivate the individual and will depend on the performance of the Company/the Group and the personal contribution of the individual to the achievement of those results.
Other Benefits	Other benefits which include the contribution of EPF, SOCSO, medical fees, medical or health insurance, company car, handphone, travelling and entertainment claims, amongst others, shall be provided based on the Group's human resource policy in the context of market practices from time to time.

(II) Remuneration structure for the Directors who hold a Non-Executive role in the Company

Component of pay	Particulars
Fees	<p>A fixed retainer sum shall be paid for their contribution to the Board and the Company. The fixed fee is determined based on the following factors:</p> <ul style="list-style-type: none"> • On par with the rest of the market; • Reflect the qualifications and contribution required in view of the Group's complexity; • The extent of the duty and responsibilities; and • The number of Board meetings and Board Committees' meetings
Meeting allowance and other benefits	<p>A reasonable fixed meeting allowance will be paid on a per trip basis with the condition that attendance is a prerequisite for such remittance.</p> <p>Other benefits include flight tickets, accommodation, travelling expenses, amongst others, incurred in the course of performing his duties or other things required of him as a Director of the Company.</p>

The remuneration policy will be reviewed by the Board from time to time and the Board may make any necessary amendments to the policy to ensure it remains consistent and relevant with the Board's objectives, current laws and practices.

- 6.2 The Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC seeks to ensure that the remuneration packages are commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Company.

The Terms of Reference of the NRC is accessible on the Company's website at www.awc.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION

7. Remuneration of Directors and Senior Management

- 7.1 The Directors' fees and benefits of the Company are subject to the approval of shareholders of the Company. The remuneration of the individual Director of the Company for the FYE 2024 is as follows:-

The Company

Name of Directors	Fees RM	Salaries RM	Benefits in Kind RM	Meeting Allowance RM	Bonus RM	Other Emoluments RM
Executive Director						
Dato' Ahmad Kabeer bin Mohamed Nagoor	–	–	–	–	–	–
Non-Executive Directors						
Dato' Nik Mod Amin bin Nik Abd Majid	120,000	–	7,200	5,000	–	–
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj	60,000	–	–	5,000	–	–
Sureson A/L Krisnasamy	60,000	–	–	5,000	–	–
Dato' Dr. Hj Shamsul Anwar bin Sulaiman (Resigned on 1 June 2024)	55,000	–	–	4,000	–	–
Total	295,000	–	7,200	19,000	–	–

The Group

Name of Directors	Fees RM	Salaries RM	Benefits in Kind RM	Meeting Allowance RM	Bonus RM	Other Emoluments RM
Executive Director						
Dato' Ahmad Kabeer bin Mohamed Nagoor	–	2,160,000	92,661	–	1,080,000	518,400
Non-Executive Directors						
Dato' Nik Mod Amin bin Nik Abd Majid	120,000	–	7,200	5,000	–	–
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj	60,000	–	–	5,000	–	–
Sureson A/L Krisnasamy	60,000	–	–	5,000	–	–
Dato' Dr. Hj Shamsul Anwar bin Sulaiman (Resigned on 1 June 2024)	55,000	–	–	4,000	–	–
Total	295,000	2,160,000	99,861	19,000	1,080,000	518,400

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION

7. Remuneration of Directors and Senior Management

7.1 (Cont'd)

The Board determines the fees and benefits of all Directors, including the Independent Non-Executive Directors. The Directors' fees are endorsed by the Board for approval by the shareholders of the Company at the AGM. Directors do not participate in the decisions regarding their own fees, benefits and/or remuneration packages.

7.2 The remuneration of the Senior Management of the Company is as follows:-

Range of Remuneration*	No. of Senior Management Officer
RM200,001 to RM250,000	1
RM250,001 to RM300,000	1
RM450,001 to RM500,000	1
RM600,001 to RM650,000	1
RM700,001 to RM750,000	1
RM1,050,001 to RM1,100,000	1
RM3,850,001 to RM3,900,000	1

* Successive bands of RM300,001 to RM450,000, RM500,001 to RM600,000, RM650,001 to RM700,000, RM750,001 to RM1,050,000 and RM1,100,001 to RM3,850,000 are not shown entirely as they are not represented.

Due to the confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on a named basis in the bands of RM50,000.00.

The Board is of the view that the disclosure of the Senior Management's remuneration components on a named basis would not be in the best interest of the Company given that the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues. The Board is of the opinion that the disclosure of Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 is adequate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - ARMC

8. Effective and Independent ARMC

The ARMC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations. The ARMC also undertakes to provide oversight on the risk management framework of the Group.

The ARMC is chaired by an Independent Non-Executive Director, namely Mr. Sureson A/L Krisnasamy ("Mr. Sureson") who is distinct from the Chairman of the Board. All members of the ARMC are financially literate and possess the necessary skills and knowledge to discharge their duties, whilst the Chairman of the ARMC is a member of the Malaysian Institute of Accountants. The term of office and performance of ARMC and its members are reviewed by the NRC annually to determine whether such ARMC and members have carried out their duties in accordance with the terms of reference.

Mr. Sureson is responsible to ensure the overall effectiveness and independence of the ARMC. Together with other members of the ARMC, Mr. Sureson has ensured amongst others that:-

- a. the ARMC is fully informed about significant matters related to the Group's audit and its financial statements and these matters are addressed;
- b. the ARMC appropriately communicates its insights, views and concerns about relevant transactions and events to Internal and External Auditors;
- c. the ARMC's concerns on matters that may affect the financial or audit of the Group are communicated to the External Auditors; and
- d. there is coordination between the Internal and External Auditors.

The ARMC will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was a former key audit partner. This policy had been codified in the Terms of Reference of ARMC of the Company. Currently, none of the members of the ARMC is a former key audit partner.

The ARMC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors and review and evaluate factors relating to the independence of the External Auditors. The Board has established the Internal and External Auditors Assessment Policy together with the Annual Performance Evaluation Form respectively. The said Policy aims to outline the guidelines and procedures for ARMC to review, assess and monitor the performance, suitability and independence of the Internal and External Auditors respectively.

The Board, having considered the ARMC's recommendation and feedback, was satisfied with the suitability and independence of the External Auditors and has recommended their re-appointment to the shareholders for approval at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II - RISK MANAGEMENT AND INTERNAL CONTROL

9. Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility of maintaining a sound system of risk management and internal control, and of reviewing its adequacy and effectiveness. The Company has adopted a Registry of Risk and the Risk Management Handbook to identify, evaluate, control and monitor the principal business risks faced by the Group on an on-going basis in order to safeguard shareholders' investment and the Group's assets. The risk management and internal control are embedded in various work processes and procedures of the respective operational functions and management team.

The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of the framework, are disclosed in the Statement on Risk Management and Internal Control in the Annual Report 2024.

10. Effective Governance, Risk Management and Internal Control Framework

The internal audit function is outsourced to an independent professional service firm that assists the ARMC in managing the risks and establishing the internal control system and processes of the Group by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors report directly to the ARMC.

To ensure that the responsibilities of Internal Auditors are fully discharged, the ARMC evaluates the performance of the Internal Auditors for the FYE 2024 based on the following evaluation criteria as set out in the Internal Auditors' Annual Assessment Form: -

- i) Calibre of the audit firm;
- ii) Quality of the internal audit engagement team;
- iii) Quality of communication and interaction with the internal auditors;
- iv) Internal audit scope and quality processes;
- v) Audit governance and independence; and
- vi) Internal audit fee.

The ARMC concluded its assessment that the Internal Auditors have sufficient experience and resources to satisfy their terms of reference and adequately deliver quality services to the Group.

The Internal Auditors have and will continue to keep abreast with developments in the profession, relevant industry and regulations.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively.

Further details of the internal audit function and activities are set out in the Statement on Risk Management and Internal Control and the Audit and Risk Management Committee Report in the Annual Report 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – COMMUNICATION WITH STAKEHOLDERS

11. Continuous Communication between Company and Stakeholders

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value. The Board is committed to ensuring that timely, accurate and complete information about the Company is provided equally to its shareholders, stakeholders and the general investing public. Timely information is critical towards building and maintaining the Group's corporate credibility, market integrity and promotes investor confidence.

The Board is guided by Bursa Securities' Corporate Disclosure Guide as published by Bursa Securities in deciding on the necessary disclosures and announcements from time to time. The Company communicates regularly with the public by releasing its announcements, quarterly reports, annual reports and circulars at Bursa Securities' website at www.bursamalaysia.com or the Company's website at www.awc.com.my.

The Company's corporate website at www.awc.com.my serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news, events and announcements to Bursa Securities relating to the Company. Shareholders may also communicate with the Company on investor relation matters by contacting the investor relation person-in-charge as stated on its website.

The Board has also put in place a Corporate Disclosure Policy to promote comprehensive, accurate and timely disclosure pertaining to the Group's matters to regulators, its shareholders and stakeholders.

PART II – CONDUCT OF GENERAL MEETINGS

12. Shareholders' Participation at General Meetings

12.1 Conduct of General Meetings

The Company's AGM remains a principal forum used by the Company for dialogue with its shareholders. The AGM provides an opportunity for the shareholders to seek and clarify any issues on the resolutions being proposed and also matters relating to the performance, developments within and the future direction of the Group. The Board, Senior Management and the External Auditors will be present to answer and provide appropriate clarifications to the shareholders at the AGM.

The notice of the 22nd AGM of the Company was given to the shareholders at least twenty-eight (28) days before the AGM which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf. The notice of the coming 23rd AGM of the Company which is scheduled to be held on 10 December 2024 will be sent to the shareholders at least twenty-eight (28) days before the date of AGM this year as well.

All the Directors of the Company will always endeavor to attend all general meetings and the Chairman of the Board committees will provide a meaningful response to questions addressed to them.

The Company had its fully virtual AGM and entirely via remote participation and voting at the broadcast venue last year and all the Directors at that point of time had attended the 22nd AGM of the Company.

All resolutions set out in the Notice of the 22nd AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities on the same day.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

12. Shareholders' Participation at General Meetings (Cont'd)

12.2 Effective Communication and Proactive Engagement

All Directors attended the 22nd AGM on a fully virtual basis and be accountable to the shareholders for their stewardship of the Company. The Chairman of the respective Board Committees were available to respond to shareholders' queries concerning the Company and the Group at the 22nd AGM.

From the Company's perspective, the AGM also serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during the shareholders' meetings and ensures their queries are responded to properly and systematically.

The Board ensures that the required infrastructure and tools were in place to enable the smooth broadcast of the 22nd AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 22nd AGM was also published on the Company's website at www.awc.com.my for the shareholders' information.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the MCGG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2024, except for the departures set out in the Corporate Governance Report.

The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

A. OBJECTIVES

The Audit and Risk Management Committee (“ARMC” or “the Committee”) was established with the primary objective of providing additional assurance to the Board of Directors (“the Board”) in respect of all financial matters. This is done by giving an objective and independent review of financial, operational and administrative controls and procedures, including establishing and maintaining internal controls. This helps to reinforce the independence of the Company’s External Auditors, thereby ensuring that they have free reign in the audit process.

B. MEMBERS

The members of the ARMC are as follows:-

Name of Committee members	Designation
Sureson A/L Krisnasamy	Chairman, Independent Non-Executive Director
Yang Mulia Tunku Puan Sri Dato’ Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj	Member, Independent Non-Executive Director
Datuk Hashim bin Wahir (Appointed on 30 September 2024)	Member, Independent Non-Executive Director
Dato’ Nik Mod Amin bin Nik Abd Majid (Appointed on 20 August 2024, Ceased on 30 September 2024)	Member, Non-Independent Non-Executive Chairman
Dato’ Dr. Hj Shamsul Anwar bin Sulaiman (Resigned on 1 June 2024)	Member, Independent Non-Executive Director

The Company has complied with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), which requires all members of the Committee to be Non-Executive Directors, with a majority being Independent Non-Executive Directors. As shown above, all current members of the Committee are Independent Non-Executive Directors. Additionally, the ARMC Chairman, Mr. Sureson A/L Krisnasamy, is a member of Malaysian Institute of Accountants.

The Terms of Reference of the ARMC can be accessed from the corporate website of the Company at www.awc.com.my.

C. SUMMARY OF WORKS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

During the financial year under review, the Committee held a total of four (4) meetings and the attendance of each of the Committee members at meetings are as follow:-

Committee Members	No. of Meetings Attended
Sureson A/L Krisnasamy (Chairman)	4/4
Yang Mulia Tunku Puan Sri Dato’ Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj (Member)	4/4
Dato’ Dr. Hj Shamsul Anwar bin Sulaiman (Member) (Resigned on 1 June 2024)	4/4

The presence of the External Auditors and/or the Internal Auditors at the Committee meetings can be requested if required by the Committee. Other members of the Board and officers of the Company and the Group may attend the meeting (specific to the relevant meeting and the matters being discussed) upon the invitation of the Committee.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

C. SUMMARY OF WORKS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

The summary of the works undertaken by the Committee for the financial year ended 30 June 2024, amongst others, included the following:-

- i. In overseeing the Company's financial reporting, reviewed the four (4) quarterly financial results and annual audited financial statements of the Group and the Company including the announcements pertaining thereto. The discussion focused particularly on any change in accounting policies and practices, significant adjustments arising from the audit and compliance with accounting standards and other legal requirements before recommending to the Board for approval and release of the announcements to Bursa Securities;
- ii. Reviewed with the External Auditors, the audit plan and scope of the statutory audit of the Company's financial statements for the financial year ended 30 June 2024 before the audit commenced to ensure that the scope of the external audit was comprehensive and discussed on the audit findings presented by the External Auditors;
- iii. Reviewed the annual audited financial statements of the Company and the Group and issues arising from the audit of the financial statements highlighted by the External Auditors;
- iv. Considered and recommended the re-appointment of Baker Tilly Monteiro Heng PLT as the External Auditors and their audit fee to the Board for consideration based on the competency, efficiency and transparency as demonstrated by the Auditors during their audit;
- v. Reviewed with the Internal Auditor, the internal audit plan to ensure the adequacy of the scope, functions and resources and that it has the necessary authority to carry out its work;
- vi. Reviewed the reports from the internal audit function and considered the findings of internal audit investigations and management responses thereon, and ensured that appropriate actions were taken on the recommendations raised by the Internal Auditors;
- vii. Reviewed the updated Terms of Reference of the ARMC for adoption by enhancing and incorporating the sustainability component;
- viii. Reviewed if there were any related party transactions and/or recurrent related party transactions that transpired within the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms;
- ix. Reviewed and monitored declarations, updates and measures to address any Conflict of Interest ("COI") or potential COI situations that may arise within the Group. During the financial year ended 30 June 2024, the Committee reviewed the Group's COI disclosures and noted that no COI was reported to the Committee;
- x. Reviewed the ARMC Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control as well as Additional Compliance Information to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report;
- xi. Self-appraised the performance of the Committee for the financial year ended 30 June 2024 and submitted the evaluation to the Nomination and Remuneration Committee for assessment;
- xii. Evaluated the performance of the External and Internal Auditors for the financial year ended 30 June 2024;
- xiii. Reviewed and discussed the updated Enterprise Risk Management Register/Registry of Risk Report for the Group; and
- xiv. Reviewed the verification of the options granted under the Employees' Share Option Scheme of the Company for the financial year ended 30 June 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

D. INTERNAL CONTROL REVIEW AND INTERNAL AUDIT ("IA") FUNCTION

i. Appointment

The Group has appointed an outsourced IA service provider to carry out the IA function, namely Sterling Business Alignment Consulting Sdn Bhd ("Sterling"). The outsourced Internal Auditors report directly to the Committee, providing the Board with a reasonable assurance of the adequacy of the scope, functions and resources of the Internal Audit function. The purpose of the IA function is to provide the Board, through the Committee, assurance of the effectiveness of the system of internal control of the designated entities of the Group.

ii. IA Activities

The IA reporting can broadly be segregated into three (3) main areas as follows:-

a. IA Plan for the Group

At the beginning of the financial year, the IA Plan for the Group is presented to the Committee by Sterling for discussion and approval. The Committee would then recommend the same to the Board of Directors for adoption.

b. Regular IA Reports

IA reports are reviewed and adopted by the Committee on a quarterly basis. During the financial year, Sterling has reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the major subsidiaries and recommended possible improvements to the internal control process. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

c. Follow-up Reports

In addition, the Internal Auditors followed up on the implementation of recommendations from prior IA visits and updated the Committee on the status of Management-agreed action plans.

iii. Total Costs Incurred For The Financial Year

The total costs incurred for the IA function of the Group for the financial year ended 30 June 2024 was RM73,879.

iv. Review of IA Function

For the financial year ended 30 June 2024, the Committee noted that the IA function is independent and Sterling has performed their audit assignments with impartiality, proficiency and due professional care.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of AWC Berhad (“the Company”) is pleased to present the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and the internal control systems of the Group for the financial year ended 30 June 2024 pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) and Practice Note 9 of Bursa Malaysia Securities Berhad (“Bursa Securities”).

BOARD RESPONSIBILITY

The Board affirms its responsibilities for maintaining a sound internal control system for the Group to safeguard shareholders’ investments and the Group’s assets, and to discharge its stewardship responsibilities in identifying risks and ensuring the implementation of appropriate systems to manage these risks in accordance with the best practices of the Malaysian Code on Corporate Governance.

However, due to the limitations that are inherent in any system of internal control, the Group’s system of internal control is designed to manage, rather than eliminate the risk of failure to achieve corporate and business objectives. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatements, losses or fraud.

The system of internal control mainly applies to the operating companies and does not cover associates, inactive and dormant companies.

RISK MANAGEMENT FRAMEWORK

The Board resolves that the management of core risks is an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enable the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regimes which are imperative in ensuring the accomplishment of the Group’s objectives.

The Board confirms that there is an on-going process of identifying, assessing and responding to risks for achieving the objectives of the Group for the financial year under review. The process is in place for the financial year under review and up to the date of issuance of the Statement on Risk Management and Internal Control.

As part of the risk management process, a Registry of Risk and a Risk Management Handbook were adopted. The Registry of Risk is maintained to identify principal business risks including Corporate Liabilities Risk and updated for on-going changes in the risk profile. The Risk Management Handbook summarises risk management methodology, approaches and processes, roles and responsibilities, and various risk management concepts. The respective risk owners are accountable for identifying risks and ensuring that adequate internal control systems are implemented to mitigate the risks faced by the Group. The process of identifying, evaluating, monitoring and managing risks is embedded in various work processes and procedures of the respective operational functions and management team.

THE INTERNAL AUDIT FUNCTION

The internal audit function had been outsourced to Sterling Business Alignment Consulting Sdn. Bhd. (“the Internal Auditors”), a third-party professional internal audit service firm which is independent of the operations and activities of the Group. The Internal Auditors are also independent of the Board and management, and report directly to the Audit and Risk Management Committee (“ARMC”). In discharging its obligations and duties pursuant to its appointment, the Internal Auditors undertake rigorous, objective, independent and systematic reviews of the systems of internal control. Following the assessment, the Internal Auditors provide reasonable and continuous assurance of the satisfactory operations and effectiveness of the Group’s system of internal controls. The purpose of the comprehensive process is to identify existing shortcomings and potential pitfalls which would eventually be brought to the attention of the Board and rectification measures would be proposed and recommended.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

THE INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors submit its reports to the ARMC every quarter and the findings are tabled at the corresponding quarterly meetings. Issues arising thereto and shortfalls in internal controls are reviewed, deliberated at length and acted upon by the ARMC for remedial action. Where necessary, affirmative steps and measures will be introduced and initiated to address, mitigate and manage the latest identified risks. Current internal control measures will also be further strengthened with compensating controls and appropriate check and balance mechanism, if required. Internal audit schedule and timetable for subsequent periods are tabled to the ARMC, outlining the entities which will be subject to the next internal audit exercise and the framework of the internal audit plan. Core internal audit scope and critical areas are also emphasised while internal audit issues highlighted in the preceding internal audit reports together with the progress and updates of the corresponding follow up works are also considered at length.

For the financial year ended 30 June 2024, four (4) internal audit reviews and four (4) follow up status reviews on previously reported audit findings were conducted:

Financial Reporting Quarter	Reporting Month	Name of Entity Audited	Audited Areas
1 st Quarter (July 2023 – Sept 2023)	Nov 2023	Stream Environment Sdn Bhd	Internal Audit Review - Project Management - Production (Fabrication)
		Stream Industries Sdn Bhd	Follow-up actions on previously reported audit findings
2 nd Quarter (Oct 2023 – Dec 2023)	Feb 2024	Ambang Wira Sdn Bhd	Internal Audit Review - Contract and Procurement
			Follow-up actions on previously reported audit findings
3 rd Quarter (Jan 2024 – March 2024)	May 2024	M&C Engineering and Trading (S) Pte Ltd	Internal Audit Review - Project Management - Sales and Marketing
			Follow-up actions on previously reported audit findings
4 th Quarter (Apr 2024 – June 2024)	Aug 2024	DD Techniche Sdn Bhd	Internal Audit Review - Project Management - Sales and Marketing
			Follow-up actions on previously reported audit findings

The associated company has not been dealt with as part of the Group for the purpose of this Statement. The Group's system of internal controls does not apply to associated company where the Group does not have any direct control over its operation. However, the Group's interest is served through representation on the board of the associated company and the Board meets to discuss and review the financial performance of this company when necessary.

OTHER KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROLS

The following are the key elements of the Group's current internal controls:

- Independence of the ARMC**

The ARMC comprises of wholly independent and non-executive directors from various backgrounds and qualifications who bring a vast amount of commercial experience, technical expertise, industry insight and business knowledge. The ARMC also enjoys full and unrestricted access to both external and internal auditors. The ARMC assesses the adequacy and effectiveness of enacted internal control procedures during the financial year. The ARMC reviews the internal control issues identified and highlighted by the Internal Auditors, external auditors and occasionally by the management team in its quarterly reports. The internal audit reviews conducted revealed that none of the weaknesses or shortfalls noted has resulted and/or given rise to any material losses, contingencies and/or uncertainties that would require a separate disclosure in this annual report. A detailed review of the activities of the ARMC over the course of the financial year is set out in the ARMC Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

OTHER KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROLS (CONT'D)

The following are the key elements of the Group's current internal controls: (Cont'd)

- **Clearly defined organisational structure**

The organisational structure of the Group is well-defined with appropriate terms of reference, job functions and descriptions in place for the Group Chief Executive Officer/President, Executive Directors and other senior management staff of the Group. Organisational charts, job bands and reporting lines within the Group are clearly set out with regular feedback and formal communication between individual subsidiaries and senior management staff at the holding company.

In addition to the ARMC, the Board is also supported by several Board level committees in discharging its duties.

- **Clearly defined policies and procedures and authority limits**

The terms of references, responsibilities and authority limits of the various committees, the Group Chief Executive Officer/President, Executive Directors and other senior management staff of the Group are clearly defined to achieve an effective check and balance, promote accountability, transparency, responsibility, operational efficiency and good corporate governance.

These terms of references, responsibilities and authority limits are formally documented in official documents such as the Group Authority Manual, Procurement Manual, AWC Employee Handbook and various Corporate Policies, Standard Operating Procedures and Guidelines

- **Performance review**

The Board emphasises reporting of financial results and operational performance at timely intervals to ensure subsistence of managerial controls and consistent exercise of performance review processes. Systems are also in place within the Group to facilitate the output of materially accurate and timely financial data. The systems also accommodate the production of relevant reports for measurement of performance against prescribed targets and post-mortem reviews of key result areas as well as supporting benchmarking processes for upcoming years. Budgets and management reports of subsidiaries are reviewed by the senior management team and are thereafter tabled to the Board for consideration, comments, corrective inputs and adoption

- **Reviews by external auditors**

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed under limited assurance engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit & Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the procedures performed, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control set out above was 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 was factually inaccurate.

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. The Board has received assurance from the Group Chief Executive Officer/President and Chief Financial Officer that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material losses to the Group as a whole. The Group will continue to take measures to strengthen the internal control and risk management environment.

This Statement is made in accordance with the resolution of the Board of Directors dated 18 October 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY

In connection with the preparation of the annual audited financial statements of the Company and its subsidiaries ("the Group"), the Board of Directors of the Company ("Board") is responsible for ensuring that the financial statements are prepared in accordance with the provisions of the Companies Act 2016, Malaysia Financial Reporting Standards and International Financial Reporting Standards. These statements must provide a true and fair view of the financial position of the Company and of the Group as at 30 June 2024, as well as their financial performances and cash flows for the financial year then ended.

In preparing the financial statements for the financial year ended 30 June 2024, the Board has undertaken the following measures: -

- Ensure that the Group and the Company have applied relevant and appropriate accounting policies consistently and in line with applicable approved accounting standards in Malaysia;
- made judgments and estimates that are prudent and reasonable; and
- adopted the going concern basis in preparing of the financial statements.

The Directors are also responsible for ensuring the adequacy of accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have general responsibilities for taking reasonable steps towards safeguarding the assets of the Group and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE EXERCISES

The Company did not raise funds through any corporate exercise during the financial year ended 30 June 2024 ("FYE 2024").

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the Company's External Auditors, or a firm or corporation affiliated to the external auditors' firm by the Group and the Company for the FYE 2024 are as follows:-

	Company RM	Group RM
Audit Fees	106,000	450,400
Non-Audit Fees	21,000	77,950

3. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST

There was no material contract entered into by the Company and/or its subsidiaries, involving directors and/or major shareholders' interest during the financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS

The list of recurrent related party transactions of a revenue or trading nature entered into by the Group is disclosed in Note 35 to the financial statements. For the FYE 2024, no shareholder mandate was required for the recurrent related party transactions of a revenue or trading nature entered into by the Group pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

The ESOS of the Company for eligible Directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries) ("Group") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 1 October 2015. The ESOS is for a duration of five (5) years commencing from the date of implementation of the ESOS on 9 October 2015 and expiring on 8 October 2020. The Company had on 25 February 2020 announced to extend its existing ESOS which is expiring on 8 October 2020 for another five (5) years until 8 October 2025, in accordance with the terms of the ESOS By-Laws.

The aggregate maximum allocation of ESOS to Directors and Senior Management of the Group shall not exceed 70% of the total number of new ordinary shares in the Company to be issued under ESOS.

There were 8,993,000 options granted under ESOS during the FYE 2024.

The actual allocation of ESOS to the Directors and Senior Management since the commencement of the ESOS is 53%.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

5. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

Details of the ESOS of the Company as at 30 June 2024 are as follows:-

	Total Granted to Eligible Employees and Directors	Directors
Total number of options granted at exercise price of		
-23.7 sen	4,185,000	1,050,000
-33.6 sen	23,442,100	4,700,000
-42.3 sen	5,709,000	–
-72.3 sen	5,367,000	–
-72.8 sen	480,000	–
-75.1 sen	900,000	900,000
-41.8 sen	6,563,000	363,000
-51.2 sen	2,430,000	–
Total number of options exercised at exercise price of		
-23.7 sen	2,565,000	350,000
-33.6 sen	18,300,286	4,480,000
-42.3 sen	3,902,012	–
-72.3 sen	546,150	–
-72.8 sen	–	–
-75.1 sen	100,000	100,000
-41.8 sen	675,000	–
-51.2 sen	135,000	–
Total number of options lapsed	10,131,392	420,000
Total number of options outstanding	12,721,260	1,663,000

There were no options under the ESOS granted to the Non-Executive Directors of the Company during the FYE 2024. The numbers of options exercised by the Non-Executive Directors of the Company during the FYE 2024 are as follows: -

Non-Executive Directors	Amount of options granted as at 1 July 2023	Amount of options exercised/ lapsed as at 30 June 2024
Dato' Nik Mod Amin Bin Nik Abd Majid (Non-Independent)	100,000	–
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati Binti Tunku Abdul Rahman Putra Al-Ha (Independent)	200,000	–
Sureson A/L Krisnasamy (Independent)	300,000	–



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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include comprehensive facility management services, air conditioning and building automation, landscaping, manufacturing, general trading and installation of cleaning equipment, automated vacuum waste collection systems and pipe networks and specialised connections, provision of environment protection equipment trading and building cleaning services, operating waste dumping places, providing waste collection, waste transportation, installation, repair and maintenance of central cleaning systems, mechanical and electrical engineering works, trading of specialised water tanks and rainwater harvesting products, construction activities, acting as contractors and general trading, importers, dealers and contractors of industrial and domestic cleaning equipment and appliances, and registering industrial methods, systems or processes patents and trademarks worldwide and licensing activities.

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

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	24,326,455	32,696,805
Attributable to:		
Owners of the Company	19,480,951	32,696,805
Non-controlling interests	4,845,504	–
	24,326,455	32,696,805

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM
Single-tier interim dividend of 0.5 sen per ordinary share for the financial year ended 30 June 2024, paid on 28 June 2024	1,650,536

At the forthcoming Annual General Meeting, a single-tier final dividend of 0.5 sen per ordinary share, in respect of the financial year ended 30 June 2024, will be proposed for the shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

DIRECTORS' REPORT (CONT'D)

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

DIRECTORS' REPORT (CONT'D)

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION AND INDEMNITY

The remuneration paid or payable to auditors of the Group and of the Company for their services as auditors during the financial year were RM597,926 and RM106,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

- (i) issued 9,764,433 new ordinary shares at a price of RM0.561 per ordinary shares as discharge of the purchase consideration for the acquisition of the 40.00% equity interest in Trackwork & Supplies Sdn. Bhd.; and
- (ii) issued 2,412,900 new ordinary shares for cash pursuant to the exercise of the Company's Employees' Share Option Scheme ("ESOS") at exercise prices between RM0.237 to RM0.723 per ordinary share.

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

During the financial year, no new issue of debentures was made by the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirements of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 30 June 2024, the Company held 4,628,700 treasury shares out of its 334,856,083 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM1,287,081.

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year other than the issue of options pursuant to the ESOS and warrants.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 1 October 2015, the Company's shareholders approved the establishment of an ESOS for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible directors and employees of the Group.

On 25 February 2020, the Company extended its existing ESOS which is expiring on 8 October 2020 for another five (5) years until 8 October 2025, in accordance with the terms of the ESOS By-Laws. The extension is not subject to the approval from Bursa Malaysia Securities Berhad, Securities Commission and shareholders of the Company.

The salient features and other details of the ESOS are disclosed in Note 21(d) to the financial statements.

The movements in the number of share options pursuant to the ESOS during the financial year are as follows:

Grant date	Exercise price	Number of options over ordinary shares				At 30 June 2024
		At 1 July 2023	Granted	Exercised	Lapsed	
2 November 2015	33.6 sen	1,834,994	–	(833,000)	(121,134)	880,860
15 April 2016	42.3 sen	734,988	–	(538,900)	(73,688)	122,400
26 February 2018	72.3 sen	1,891,000	–	(96,000)	(120,000)	1,675,000
26 September 2018	75.1 sen	500,000	–	–	–	500,000
31 March 2020	23.7 sen	1,505,000	–	(135,000)	–	1,370,000
7 September 2023	41.8 sen	–	6,563,000	(675,000)	–	5,888,000
5 December 2023	51.2 sen	–	2,430,000	(135,000)	(10,000)	2,285,000
		6,465,982	8,993,000	(2,412,900)	(324,822)	12,721,260

WARRANTS

On 2 January 2019, a total of 56,824,679 free warrants were allotted and listed on the Main Market of Bursa Securities under a deed poll dated 6 December 2018.

The movement in the Company's warrants during the financial year is as follows:

	Number of warrants				At 30 June 2024
	At 1 July 2023	Allotment	Exercised	Lapsed	
Warrants	56,824,679	–	–	(56,824,679)	–

The warrants expired on 22 December 2023.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

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

Dato' Ahmad Kabeer Bin Mohamed Nagoor *	
Dato' Nik Mod Amin Bin Nik Abd Majid *	
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati Binti Tunku Abdul Rahman Putra Al-Haj *	
Sureson A/L Krisnasamy	
Datuk Hashim Bin Wahir	(Appointed on 30 September 2024)
Dato' Dr Hj Shamsul Anwar Bin Sulaiman	(Resigned on 1 June 2024)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datin Dr. Wahida Binti Abdul Rahman	
Abd Aziz Bin Awang Adek	
Ahmad Nazim Bin Ahmad Kabeer	
Chan Choon Sen	
Chang Leong Hao	
Chee Kar Ming	
Goh Tse Woei	
Khathir Sulaiman Bin Abdullah	
Kong Keat Voon	
Mohd Faizul Shazrin Bin Shukor	
Mohd Hisham Bin Haja Najmuddeen	
Nik Khairulnazar Bin Nik Sin @ N. Hussein	
Noreen Khairani Binti Ahmad Osmani	
Tan Siew Kheng	
Voon Siew Moon	
Zuraini Binti Aman	
Ahmad Shamsulikram Bin Ahmad Ramli	
Nurul Sahida Binti Adlan	
Siti Asmarani Binti Ramli	
Wan Intan Binti Meor Ibrahim	
Chea Thean Teik	(Appointed on 27 December 2023, 30 January 2024)
Koh Kwee Fook (Alternate director to Chea Thean Teik)	(Appointed on 27 December 2023, 30 January 2024)
Gan Chi Meng	(Appointed on 1 February 2024)
Mohamad Rauzan Bin Zulkifli	(Appointed on 9 February 2024 and resigned on 25 September 2024)
Salfazri bin Slamet	(Appointed on 9 February 2024)
Datuk Syed Hussian Bin Syed Junid	(Resigned on 1 September 2023)
Gan Geok Soon	(Resigned on 27 December 2023, 30 January 2024)
Koh Kwee Fook (Alternate director to Gan Geok Soon)	(Ceased on 27 December 2023)
Fred Devakumar A/L Stephen Navaratnam	(Resigned on 27 December 2023)
Indralingam A/L Subramaniam	(Resigned on 27 December 2023)
Chea Thean Teik (Alternate director to Sri Skanda Rajah A/L S. Ratnam)	(Ceased on 27 December 2023)
Sri Skanda Rajah A/L S. Ratnam	(Resigned on 27 December 2023, 30 January 2024, 1 February 2024)
So Seng Tek	(Resigned on 1 February 2024)
Ts. Dayang Nurul Hafiszawaty Binti Abang Ali	(Resigned on 3 February 2024)

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	At 1 July 2023	Number of ordinary shares		At 30 June 2024
		Bought	Sold	
Interest in the Company				
Direct interests:				
Dato’ Nik Mod Amin Bin Nik Abd Majid	400,000	–	–	400,000
Dato’ Ahmad Kabeer Bin Mohamed Nagoor	21,973,300	4,100,000	–	26,073,300
Yang Mulia Tunku Puan Sri Dato’ Hajjah Noor Hayati Binti Tunku Abdul Rahman Putra Al-Haj	100,000	–	–	100,000
Sureson A/L Krisnasamy	65,000	–	–	65,000
Indirect interest:				
Dato’ Ahmad Kabeer Bin Mohamed Nagoor ^	84,300,000	–	–	84,300,000

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

	Number of options over ordinary shares under ESOS			
	At 1 July 2023	Granted	(Lapsed)	At 30 June 2024
Interest in the Company				
Direct interests:				
Dato' Nik Mod Amin Bin Nik Abd Majid	100,000	–	–	100,000
Dato' Ahmad Kabeer Bin Mohamed Nagoor	700,000	363,000	–	1,063,000
Yang Mulia Tunku Puan Sri Dato'				
Hajjah Noor Hayati Binti Tunku				
Abdul Rahman Putra Al-Haj	200,000	–	–	200,000
Sureson A/L Krisnasamy	300,000	–	–	300,000

DIRECTORS' REPORT
(CONT'D)**DIRECTORS' INTERESTS (CONT'D)**

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows : (Cont'd)

		Number of warrants issued pursuant to the deed poll dated 6 December 2018 exercisable at any time from 26.12.2021 to 22.12.2023		
	At 1 July 2023	Bought	Lapsed	At 30 June 2024
The Company				
Direct interests:				
Dato' Ahmad Kabeer Bin Mohamed Nagoor	3,651,000	–	(3,651,000)	–
Dato' Nik Mod Amin Bin Nik Abd Majid	80,000	–	(80,000)	–
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati Binti Tunku Abdul Rahman Putra Al-Haj	20,000	–	(20,000)	–
Indirect interest:				
Dato' Ahmad Kabeer Bin Mohamed Nagoor	16,549,999	–	(16,549,999)	–

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Ahmad Kabeer Bin Mohamed Nagoor is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company are as follows:

	Group RM	Company RM
Directors of the Company		
Executive director		
- Short-term employee benefits	3,240,000	–
- Post-employment employee benefits	518,400	–
- Benefits-in-kind	92,661	–
	3,851,061	–
Non-executive directors		
- Fees	295,000	295,000
- Short-term employee benefits	19,000	19,000
- Benefits-in-kind	7,200	7,200
	321,200	321,200
	4,172,261	321,200

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than those arising from the share options granted under the ESOS.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, no indemnity was given to or insurance effected for any director or officer of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements, which also serve for the purpose of this report.

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

DIRECTORS' REPORT
(CONT'D)**AUDITORS**

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....
DATO' NIK MOD AMIN BIN NIK ABD MAJID
Director

.....
DATO' AHMAD KABEER BIN MOHAMED NAGOOR
Director

Date: 18 October 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

			Group		Company
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	19,129,730	17,843,281	12,863	26,689
Right-of-use assets	6	3,960,738	3,735,719	–	–
Investment properties	7	5,900,205	6,463,205	–	–
Intangible assets	8	31,439,577	31,439,577	–	–
Investment in subsidiaries	9	–	–	230,421,733	109,607,541
Investment in an associate	10	–	–	–	–
Amount due from subsidiaries	11	–	–	–	4,921,080
Deferred tax assets	12	4,930,188	6,397,330	–	–
Total non-current assets		65,360,438	65,879,112	230,434,596	114,555,310
Current assets					
Inventories	13	29,389,233	34,787,678	–	–
Current tax assets		12,223,091	10,506,578	39,645	–
Trade and other receivables	14	157,558,166	158,791,661	6,125,468	131,630
Contract assets	15	51,108,951	46,052,641	–	–
Amount due from subsidiaries	11	–	–	2,669,471	1,189,563
Amount due from an associate	16	–	183,669	–	–
Short-term investments	17	6,768,728	7,827,542	–	362,500
Cash and short-term deposits	18	119,237,730	119,474,029	6,984,289	1,500,105
Total current assets		376,285,899	377,623,798	15,818,873	3,183,798
TOTAL ASSETS		441,646,337	443,502,910	246,253,469	117,739,108

STATEMENTS OF FINANCIAL POSITION
(CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	126,503,860	119,696,879	126,503,860	119,696,879
Treasury shares	20	(1,287,081)	(1,287,081)	(1,287,081)	(1,287,081)
Other reserves	21	14,821,951	13,776,260	12,973,138	12,586,413
Retained earnings/ (Accumulated losses)		71,597,538	91,590,182	11,723,692	(19,381,368)
		211,636,268	223,776,240	149,913,609	111,614,843
Non-controlling interests		–	72,864,108	–	–
TOTAL EQUITY		211,636,268	296,640,348	149,913,609	111,614,843
Non-current liabilities					
Loans and borrowings	22	62,577,901	2,857,217	60,152,777	–
Trade and other payables	23	–	352,508	–	–
Deferred tax liabilities	12	19,129	29,380	–	–
Total non-current liabilities		62,597,030	3,239,105	60,152,777	–
Current liabilities					
Loans and borrowings	22	44,357,651	22,139,591	29,666,667	5,000,000
Current tax liabilities		2,386,938	1,898,954	–	46,480
Trade and other payables	23	91,443,570	92,608,211	725,688	707,594
Employee benefits	24	1,475,137	1,408,350	–	–
Contract liabilities	15	27,712,235	25,557,787	–	–
Amount due to subsidiaries	11	–	–	5,794,728	370,191
Amount due to directors	25	37,508	10,564	–	–
Total current liabilities		167,413,039	143,623,457	36,187,083	6,124,265
TOTAL LIABILITIES		230,010,069	146,862,562	96,339,860	6,124,265
TOTAL EQUITY AND LIABILITIES		441,646,337	443,502,910	246,253,469	117,739,108

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	26	399,007,996	381,304,691	31,920,000	6,480,000
Cost of sales		(315,256,714)	(302,041,016)	–	–
Gross profit		83,751,282	79,263,675	31,920,000	6,480,000
Other income		2,474,570	2,444,462	9,884,541	1,100,000
Administrative expenses		(58,011,508)	(57,471,728)	(4,217,810)	(2,718,920)
Other expenses		(348,547)	(5,345,890)	(205,286)	(2,993,414)
Net reversal/(allowance) of impairment losses on receivables and contract assets		5,161,835	(6,493,832)	(1,655,326)	–
Operating profit		33,027,632	12,396,687	35,726,119	1,867,666
Finance (costs)/income, net	27	(718,265)	1,433,263	(2,703,980)	107,878
Profit before tax	28	32,309,367	13,829,950	33,022,139	1,975,544
Income tax expense and zakat	30	(7,982,912)	(3,038,063)	(325,334)	(267,438)
Profit for the financial year		24,326,455	10,791,887	32,696,805	1,708,106
Other comprehensive income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		486,939	4,298,386	–	–
Revaluation of property, plant and equipment		58,412	358,720	–	–
Other comprehensive income for the financial year		545,351	4,657,106	–	–
Total comprehensive income for the financial year		24,871,806	15,448,993	32,696,805	1,708,106
Profit attributable to:					
Owners of the Company		19,480,951	2,176,095	32,696,805	1,708,106
Non-controlling interests		4,845,504	8,615,792	–	–
		24,326,455	10,791,887	32,696,805	1,708,106
Total comprehensive income attributable to:					
Owners of the Company		20,139,917	5,319,645	32,696,805	1,708,106
Non-controlling interests		4,731,889	10,129,348	–	–
		24,871,806	15,448,993	32,696,805	1,708,106
Earnings per share (sen):					
Basic	31	6.02	0.69		
Diluted	31	5.94	0.68		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Attributable to owners of the Company					
Note	Share capital RM	Treasury shares RM	Other reserves RM	Retained earnings RM	Sub-total RM	Non-controlling interests RM
Group						
At 1 July 2023	119,696,879	(1,287,081)	13,776,260	91,590,182	223,776,240	72,864,108
Total comprehensive income for the financial year						
Profit for the financial year	-	-	-	19,480,951	19,480,951	4,845,504
Other comprehensive income/(loss) for the financial year	-	-	658,966	-	658,966	(113,615)
Total comprehensive income	-	-	658,966	19,480,951	20,139,917	4,731,889
Transactions with owners						
Dividends paid on shares to:						
- Owners of the Company	-	-	-	(1,650,536)	(1,650,536)	-
Issuance of ordinary shares pursuant to:						
- Exercise of ESOS	1,329,134	-	(368,618)	-	960,516	-
- Changes in ownership interests in subsidiaries	5,477,847	-	-	(37,881,850)	(32,404,003)	(77,595,997)
Share options granted	-	-	814,134	-	814,134	-
Share options lapsed	-	-	(58,791)	58,791	-	-
Total transactions with owners	6,806,981	-	386,725	(39,473,595)	(32,279,889)	(77,595,997)
At 30 June 2024	126,503,860	(1,287,081)	14,821,951	71,597,538	211,636,268	-

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Attributable to owners of the Company					
	Share capital RM	Treasury shares RM	Other reserves RM	Retained earnings RM	Sub-total RM	Non-controlling interests RM
Group (Cont'd)						
At 1 July 2022	119,151,295	(1,287,081)	10,967,014	95,684,263	224,515,491	65,056,050
Total comprehensive income for the financial year						289,571,541
Profit for the financial year	-	-	-	2,176,095	2,176,095	8,615,792
Other comprehensive income for the financial year	-	-	3,106,335	-	3,106,335	1,550,771
Total comprehensive income	-	-	3,106,335	2,176,095	5,282,430	10,166,563
						15,448,993
Transactions with owners						
Dividends paid/payable on shares to:						
- Owners of the Company	-	-	-	(6,357,813)	(6,357,813)	-
- Non-controlling interest	-	-	-	-	-	(2,940,000)
Issuance of ordinary shares pursuant to:						
- Exercise of ESOS	545,584	-	(209,452)	-	336,132	-
Share options lapsed	-	-	(87,637)	87,637	-	-
Winding up of a subsidiary	-	-	-	-	-	581,495
Total transactions with owners	545,584	-	(297,089)	(6,270,176)	(6,021,681)	(2,358,505)
						(8,380,186)
At 30 June 2023	119,696,879	(1,287,081)	13,776,260	91,590,182	223,776,240	72,864,108
						296,640,348

STATEMENTS OF CHANGES IN EQUITY
(CONT'D)

	Note	Attributable to owners of the Company				
		Share capital RM	Treasury shares RM	Other reserves RM	Accumulated losses/Retained earnings RM	Total equity RM
Company						
At 1 July 2023		119,696,879	(1,287,081)	12,586,413	(19,381,368)	111,614,843
Total comprehensive income for the financial year		-	-	-	32,696,805	32,696,805
Transactions with owners						
Dividends paid on shares	32	-	-	-	(1,650,536)	(1,650,536)
Issuance of ordinary shares pursuant to:						
- Exercise of ESOS	19	1,329,134	-	(368,618)	-	960,516
- Acquisition of shares from non-controlling shareholders		5,477,847	-	-	-	5,477,847
Share options granted		-	-	814,134	-	814,134
Share options lapsed		-	-	(58,791)	58,791	-
Total transactions with owners		6,806,981	-	386,725	(1,591,745)	5,601,961
At 30 June 2024		126,503,860	(1,287,081)	12,973,138	11,723,692	149,913,609
At 1 July 2022		119,151,295	(1,287,081)	12,883,502	(14,819,298)	115,928,418
Total comprehensive income for the financial year		-	-	-	1,708,106	1,708,106
Transactions with owners						
Dividends paid on shares	32	-	-	-	(6,357,813)	(6,357,813)
Issuance of ordinary shares pursuant to:						
- Exercise of ESOS	19	545,584	-	(209,452)	-	336,132
Share options lapsed		-	-	(87,637)	87,637	-
Total transactions with owners		545,584	-	(297,089)	(6,270,176)	(6,021,681)
At 30 June 2023		119,696,879	(1,287,081)	12,586,413	(19,381,368)	111,614,843

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Note	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities				
Profit before tax	32,309,367	13,829,950	33,022,139	1,975,544
Adjustments for:				
Deposits written off	–	14,432	–	–
Depreciation of:				
- property, plant and equipment	3,175,279	2,822,452	13,826	16,863
- right-of-use assets	2,628,415	2,304,987	–	–
Dividends income	–	–	(30,000,000)	(4,560,000)
Fair value loss on investment properties	563,000	–	–	–
Finance costs	3,812,588	839,446	3,061,176	227,270
Finance income	(3,094,323)	(2,272,709)	(357,196)	(335,148)
Gain on disposal of property, plant and equipment	(135,571)	(234,783)	–	–
Gain on termination of right-of-use assets	(4,824)	–	–	–
Inventories written down to net realisable value	194,885	658,601	–	–
Inventories written off	32,385	127,875	–	–
Loss on winding up of a subsidiary	–	575,139	–	–
Net (reversal)/allowance for impairment losses on:				
- amount due from subsidiaries	–	–	1,655,326	32,979
- contract assets	(3,235,296)	3,219,959	–	–
- goodwill	121,277	5,345,890	–	–
- investment in subsidiaries	–	–	(9,678,266)	1,893,414
- trade receivables	(2,588,394)	3,070,784	–	–
- other receivables	(2,724)	(23,597)	–	–
- retention sum	664,579	226,686	–	–
- property, plant and equipment	23,920	72,297	–	–
Property, plant and equipment written off	166,463	3,266	–	–
Provisions for employee benefits	229,747	143,785	–	–
Reversal of inventories written down	(52,388)	–	–	–
Share options granted under ESOS	814,134	–	119,944	–
Unrealised loss/(gain) on foreign exchange	716,246	(874,551)	–	–
Operating profit/(loss) before changes in working capital, carried forward	36,338,765	29,849,909	(2,163,051)	(749,078)

STATEMENTS OF CASH FLOWS
(CONT'D)

		Group		Company
Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities (Cont'd)				
Operating profit/(loss) before changes in working capital, carried forward	36,338,765	29,849,909	(2,163,051)	(749,078)
<u>Changes in working capital:</u>				
Inventories	5,223,563	262,239	–	–
Trade and other receivables/ Contract assets	1,450,797	(36,265,830)	(5,993,838)	2,061,443
Trade and other payables/ Contract liabilities	745,673	16,816,946	18,093	35,619
Amount due to directors	26,944	10,017	–	–
Cash generated from/(used in) operations	43,785,742	10,673,281	(8,138,796)	1,347,984
Dividends received	–	–	30,000,000	4,560,000
Income tax paid	(8,062,722)	(6,019,236)	(411,459)	(407,753)
Income tax refunded	445,287	–	–	–
Zakat paid	(120,000)	(120,000)	–	–
Interest paid	(3,812,588)	(839,446)	(3,061,176)	(227,270)
Net cash from operating activities	32,235,719	3,694,599	18,388,569	5,272,961
Cash flows from investing activities				
Repayment from/(Advances to) associate	104,438	(169,104)	–	–
Advances to subsidiaries	–	–	–	(193,781)
Finance income	2,155,876	1,477,495	220,174	142,563
Acquisition of additional interests in a subsidiary	(110,000,000)	–	(110,000,000)	–
Acquisition of a subsidiary, net of cash acquired	9(b) 10,926	–	–	–
Subscription of shares in a subsidiary	–	–	(2)	–
Withdrawal/(Placement) of deposits with tenure more than 3 months	10,341,980	(7,422,140)	(3,125,000)	–
Proceeds from disposal of property, plant and equipment	142,990	255,000	–	–
Proceeds from disposal of asset classified as held for sale	–	380,000	–	–
Proceeds from redemption of short-term investments	1,907,453	10,703,165	362,500	–
Purchase of property, plant and equipment	(a) (3,751,153)	(3,156,020)	–	(11,516)
Repayment from subsidiaries	–	–	6,958,982	1,182,320
Net cash (used in)/from investing activities	(99,087,490)	2,068,396	(105,583,346)	1,119,586

STATEMENTS OF CASH FLOWS (CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from financing activities	(b)				
Advances from/(Repayment) to subsidiaries		–	–	5,424,537	(6,865,417)
Changes in pledged deposits		2,985,199	237,786	–	–
Dividends paid to:					
- Owners of the Company		(1,650,536)	(6,357,813)	(1,650,536)	(6,357,813)
- Non-controlling interests		–	(2,940,000)	–	–
Drawdown of term loan		100,000,000	–	100,000,000	–
Drawdown of revolving credits		12,000,000	13,000,000	12,000,000	5,000,000
Drawdown of trade loan		10,377,563	1,104,422	–	–
Payment of lease liabilities		(2,566,783)	(2,181,653)	–	–
Proceeds from exercise of ESOS		960,516	336,132	960,516	336,132
Repayment of hire purchase		(671,813)	(614,172)	–	–
Repayment of revolving credits		(8,400,000)	(3,400,000)	–	(3,000,000)
Repayment of term loans		(27,180,556)	(5,718,401)	(27,180,556)	–
Repayment of trade loan		(2,495,093)	(916,937)	–	–
Net cash from/(used in) financing activities		83,358,497	(7,450,636)	89,553,961	(10,887,098)
Net increase/(decrease) in cash and cash equivalents		16,506,726	(1,687,641)	2,359,184	(4,494,551)
Cash and cash equivalents at the beginning of the financial year		93,497,566	94,791,418	1,500,105	5,994,656
Effects of exchange rate changes on cash and cash equivalents		(796,848)	393,789	–	–
Cash and cash equivalents at the end of the financial year	18	109,207,444	93,497,566	3,859,289	1,500,105
Analysis of cash and cash equivalents:					
Cash and bank balances		65,867,466	62,622,100	3,859,289	1,500,105
Deposits with licensed banks		53,370,264	56,851,929	3,125,000	–
		119,237,730	119,474,029	6,984,289	1,500,105
Less:					
Fixed deposits pledged		(9,930,286)	(12,915,485)	(3,125,000)	–
Fixed deposits more than 3 months		(100,000)	(10,441,980)	–	–
Bank overdrafts		–	(2,618,998)	–	–
		109,207,444	93,497,566	3,859,289	1,500,105

STATEMENTS OF CASH FLOWS
(CONT'D)

- (a) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Purchase of property, plant and equipment	4,401,771	4,465,165	–	11,516
Financed by way of hire purchase arrangements	(650,618)	(1,309,145)	–	–
Cash payments on purchase of property, plant and equipment	3,751,153	3,156,020	–	11,516

- (b) Reconciliation of liabilities arising from financing activities:

	1 July 2023 RM	Cash flows RM	Acquisition RM	Non-cash Others RM	30 June 2024 RM
Group					
Revolving credits	14,400,000	3,600,000	–	–	18,000,000
Term loans	–	72,819,444	–	–	72,819,444
Trade loan	2,495,093	7,882,470	–	–	10,377,563
Lease liabilities	3,358,478	(2,566,783)	3,106,787	(267,822)	3,630,660
Hire purchase payables	2,124,239	(671,813)	650,618	4,841	2,107,885
	22,377,810	81,063,318	3,757,405	(262,981)	106,935,552

	1 July 2022 RM	Cash flows RM	Non-cash acquisition RM	30 June 2023 RM
Group				
Revolving credits	4,800,000	9,600,000	–	14,400,000
Term loans	5,718,401	(5,718,401)	–	–
Trade loan	2,307,608	187,485	–	2,495,093
Lease liabilities	1,863,001	(2,181,653)	3,677,130	3,358,478
Hire purchase payables	1,429,266	(614,172)	1,309,145	2,124,239
	16,118,276	1,273,259	4,986,275	22,377,810

	1 July 2022 RM	Cash flows RM	30 June 2023 RM	Cash flows RM	30 June 2024 RM
Company					
Revolving credits	3,000,000	2,000,000	5,000,000	12,000,000	17,000,000
Term loans	–	–	–	72,819,444	72,819,444
	3,000,000	2,000,000	5,000,000	84,819,444	89,819,444

- (c) During the financial year, the total cash outflows of the Group for leases is RM4,066,116 (2023: RM3,665,066).

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

AWC Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at No. 20-2, Subang Business Centre, Jalan USJ 9/5T, 47620 UEP Subang Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include comprehensive facility management services, air conditioning and building automation, landscaping, manufacturing, general trading and installation of cleaning equipment, automated vacuum waste collection systems and pipe networks and specialised connections, provision of environment protection equipment trading and building cleaning services, operating waste dumping places, providing waste collection, waste transportation, installation, repair and maintenance of central cleaning systems, mechanical and electrical engineering works, trading of specialised water tanks and rainwater harvesting products, construction activities, acting as contractors and general trading, importers, dealers and contractors of industrial and domestic cleaning equipment and appliances, and registering industrial methods, systems or processes patents and trademarks worldwide and licensing activities.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 October 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of new MFRS and amendments to MFRSs

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

New MFRS

MFRS 17	Insurance Contracts
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Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

- (a) The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2024/ 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024/ 1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

- (b) The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (Cont'd)

- b) The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group and the Company are summarised below. (Cont'd)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

The initial application of the above applicable new MFRS and amendments to MFRSs is not expected to have material financial impact to the current and prior years financial statements of the Group and of the Company.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the Group's and the Company's financial statements are disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation and economic entities

(a) Subsidiaries and business combination

Subsidiaries are entities over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

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

(c) Associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at average exchange rate for the reporting period which approximates exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.4 Financial instruments

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

Except for the trade receivables that do not contain a significant financing component, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under MFRS 15 Revenue from Contracts with Customers.

Financial assets - subsequent measurement and gains and losses

Financial assets at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

Financial liabilities - subsequent measurement and gains and losses

The Group and the Company classify their financial liabilities as financial liabilities measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the EIR amortisation process.

Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined using the general 3-stage approach and the amount initially recognised, and where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment (other than freehold buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation and any accumulated impairment losses recognised after the date of revaluation.

(b) Depreciation

All property, plant and equipment are depreciated on a straight-line basis by allocating their depreciable amounts over their remaining useful lives at the following annual rates:

Buildings	2%
Computer equipment and software	10% to 50%
Machinery, equipment and motor vehicles	10% to 50%
Furniture, fittings and office equipment	8% to 20%
Electrical installation and renovation	10% to 33 1/3%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

3.6 Leases

(a) Lessee accounting

The Group presents right-of-use assets as separate lines whereas lease liabilities are included within loans and borrowings in the statements of financial position.

Right-of-use asset

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term.

Lease liability

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 incremental borrowing rate.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments on a straight-line basis over the term of the lease.

(b) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.7 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

3.8 Intangible assets

(a) Goodwill on consolidation

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(b) Other intangible asset

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful life, is measured at cost less accumulated amortisation and any accumulated impairment loss. Amortisation is recognised in profit or loss over the period of the customer contracts. Amortisation methods and useful life are reviewed at the end of each reporting period and adjusted, if appropriate.

3.9 Inventories

Inventories consist of raw materials and consumables, trading and installation goods, work in progress and finished goods.

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

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials and consumables are determined using the first-in first-out basis.
- Trading and installation goods are assigned on a weighted average cost basis.
- Work in progress are assigned on a weighted average cost basis.
- Finished goods are assigned on a weighted average cost basis.

3.10 Contract assets/(liabilities)

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance).

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer.

3.11 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.12 Employees' Share Option Scheme ("ESOS")

Employees of the Group and of the Company receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employees' share option reserve over the vesting period. The cumulative expense recognised at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employees' share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employees' share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by reissuance of treasury shares.

3.13 Revenue and other income

Financing components

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if it expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Construction and engineering contracts

The Group constructs facilities and performs engineering works under contracts with customers. Construction and engineering service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the facilities and engineering works is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term of 30 to 180 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction of facilities and engineering works based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

Defect liability period from the date of completion which is provided in the contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.13 Revenue and other income (Cont'd)

(b) Design and supply contracts

The Group designs and supplies goods under contracts with customers.

Revenue from design and supply contracts, unless control transfers over time, is recognised at a point in time when control of the goods is passed to the customer, which is the point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with credit term ranging from 30 to 180 days, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

Warranty period from the date of delivery which is provided in the contracts with customers generally ranging from 12 months to 24 months.

(c) Sale of goods

Revenue from sale of goods, unless control transfers over time, is recognised at a point in time when control of the goods is passed to the customer, which is the point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 30 to 180 days.

(d) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method). When the Group does not transfer control of the services over time, revenue is recognised at a point in time as the services are rendered.

Deductions apply when the maintenance services rendered do not meet key performance indicators agreed with the customers.

Sales are made with a credit term of 30 to 180 days.

(e) Commission income

Commission income is recognised when the right to receive payment is established.

Sales are made with a credit term of 30 to 90 days.

(f) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

(g) Dividend income

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

(h) Interest income

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:

4.1 Impairment of goodwill on business combination

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 8.1 to the financial statements.

4.2 Impairment of trade receivables and contract assets

The impairment provisions for trade receivables and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's trade receivables and contract assets are disclosed in Note 33 to the financial statements.

4.3 Construction and engineering revenue

The Group recognised construction and engineering services revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 15 to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	At valuation	At cost				Total RM
		Computer equipment and software RM	Machinery, equipment and motor vehicles RM	Furniture, fittings and office equipment RM	Electrical installation and renovation RM	
Group 2024	Note	Buildings RM				
Valuation/Cost						
At 1 July 2023		8,005,579	10,892,453	18,749,578	8,965,165	2,176,556
Acquisition of a subsidiary	9(b)	–	147,034	–	–	–
Additions		–	805,849	2,142,757	986,260	4,401,771
Disposals		–	(165,535)	(841,693)	(205,129)	(1,483,092)
Written off		–	(171,304)	(25,747)	(43,410)	(292,960)
Revaluation		94,000	–	–	–	94,000
Elimination on revaluation		(94,000)	–	–	–	(94,000)
Exchange differences		–	11,616	29,932	8,626	55,088
At 30 June 2024		8,005,579	11,520,113	20,054,827	9,711,512	2,325,141
Accumulated depreciation and impairment loss						
At 1 July 2023		328,939	9,737,349	13,060,987	5,823,818	1,994,957
Depreciation charge for the financial year		140,153	579,923	1,808,194	511,629	135,380
Disposals		–	(165,534)	(837,424)	(201,980)	(270,735)
Written off		–	(23,468)	(24,682)	(25,848)	(52,499)
Elimination on revaluation		(94,400)	–	–	–	–
Impairment loss		23,920	–	–	–	–
Exchange differences		–	8,935	18,417	6,936	4,475
At 30 June 2024		398,612	10,137,205	14,025,492	6,114,555	1,811,578
Net carrying amount						
At 30 June 2024		7,606,967	1,382,908	6,029,335	3,596,957	513,563
						19,129,730

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

	At valuation	At cost				Total RM
		Computer equipment and software RM	Machinery, equipment and motor vehicles RM	Furniture, fittings and office equipment RM	Electrical installation and renovation RM	
Group (Cont'd)						
2023						
Valuation/Cost						
At 1 July 2022						
Additions	8,005,579	11,003,328	16,529,867	8,098,137	2,120,709	45,757,620
Disposals	–	524,197	3,022,366	844,412	74,190	4,465,165
Written off	–	(83,339)	(1,074,874)	(32,439)	(61,745)	(1,252,397)
Revaluation	–	(660,312)	–	(23,376)	–	(683,688)
Elimination on revaluation	472,000	–	–	–	–	472,000
Exchange differences	(472,000)	–	–	–	–	(472,000)
	–	108,579	272,219	78,431	43,402	502,631
At 30 June 2023	8,005,579	10,892,453	18,749,578	8,965,165	2,176,556	48,789,331
Accumulated depreciation and impairment loss						
At 1 July 2022	587,042	9,904,980	12,279,066	5,363,174	1,949,190	30,083,452
Depreciation charge for the financial year	141,600	489,331	1,674,042	450,583	66,896	2,822,452
Disposals	–	(83,339)	(1,054,657)	(32,439)	(61,745)	(1,232,180)
Written off	–	(658,396)	–	(22,026)	–	(680,422)
Elimination on revaluation	(472,000)	–	–	–	–	(472,000)
Impairment loss	72,297	–	–	–	–	72,297
Exchange differences	–	84,773	162,536	64,526	40,616	352,451
At 30 June 2023	328,939	9,737,349	13,060,987	5,823,818	1,994,957	30,946,050
Net carrying amount						
At 30 June 2023	7,676,640	1,155,104	5,688,591	3,141,347	181,599	17,843,281

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

	Computer equipment and software RM	Furniture, fittings and office equipment RM	Renovation RM	Total RM
Company Cost				
At 1 July 2022	529,691	63,853	67,745	661,289
Addition	–	11,516	–	11,516
Written off	(78,859)	(32,439)	(61,745)	(173,043)
At 30 June/1 July 2023	450,832	42,930	6,000	499,762
Written off	–	–	(6,000)	(6,000)
At 30 June 2024	450,832	42,930	–	493,762
Accumulated depreciation				
At 1 July 2022	497,739	63,769	67,745	629,253
Depreciation charge for the financial year	15,629	1,234	–	16,863
Written off	(78,859)	(32,439)	(61,745)	(173,043)
At 30 June/1 July 2023	434,509	32,564	6,000	473,073
Depreciation charge for the financial year	11,523	2,303	–	13,826
Written off	–	–	(6,000)	(6,000)
At 30 June 2024	446,032	34,867	–	480,899
Net carrying amount				
At 30 June 2024	4,800	8,063	–	12,863
At 30 June 2023	16,323	10,366	–	26,689

(a) Revaluation of buildings

The properties were revalued by the directors based on the valuation carried out in June 2024 (2023: June 2023) by an independent firm of professional valuer. The fair value of the freehold buildings of the Group is categorised as Level 2. The fair value was determined by using the market comparable approach that reflects recent transaction prices, adjusted for differences in the nature, location or condition of the buildings. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The most significant input into this valuation approach is price per square foot of the properties.

Had the freehold buildings been carried under the cost method, the net carrying amount of the revalued properties at cost less accumulated depreciation would have been RM3,265,629 (2023: RM3,365,606) as at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(b) Assets pledged as security

Freehold buildings of the Group with a net carrying amount of RM4,882,587 (2023: RM5,654,795) have been pledged as security to secure term loans of the Group as disclosed in Note 22(a) to the financial statements.

Leasehold buildings with a carrying amount of RM1,351,849 (2023: RM1,382,389) have been pledged as security to secure performance guarantee facility granted to the Group as disclosed in Note 34 to the financial statements.

(c) Motor vehicles under hire purchase arrangements

The carrying amount of motor vehicles held under hire purchase arrangements are RM2,270,886 (2023: RM2,213,817).

6. RIGHT-OF-USE ASSETS

The Group leases several assets including land and buildings.

Information about leases for which the Group is a lessee is presented below:

	Land RM	Buildings RM	Total RM
Group			
2024			
Cost			
At 1 July 2023	601,748	5,115,346	5,717,094
Additions	–	3,106,787	3,106,787
Terminations	–	(498,642)	(498,642)
Derecognition upon expiry of lease	–	(1,593,299)	(1,593,299)
Exchange difference	–	18,404	18,404
At 30 June 2024	601,748	6,148,596	6,750,344
Accumulated depreciation			
At 1 July 2023	123,920	1,857,455	1,981,375
Depreciation charge for the financial year	52,302	2,576,113	2,628,415
Terminations	–	(235,645)	(235,645)
Derecognition upon expiry of lease	–	(1,593,299)	(1,593,299)
Exchange difference	–	8,760	8,760
At 30 June 2024	176,222	2,613,384	2,789,606
Net carrying amount			
At 30 June 2024	425,526	3,535,212	3,960,738

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS (CONT'D)

Information about leases for which the Group is a lessee is presented below (Cont'd):

	Land RM	Buildings RM	Total RM
2023			
Cost			
At 1 July 2022	601,748	4,442,580	5,044,328
Additions	–	3,677,130	3,677,130
Derecognition upon expiry of lease	–	(3,280,092)	(3,280,092)
Exchange difference	–	275,728	275,728
At 30 June 2023	601,748	5,115,346	5,717,094
Accumulated depreciation			
At 1 July 2022	71,618	2,691,030	2,762,648
Depreciation charge for the financial year	52,302	2,252,685	2,304,987
Derecognition upon expiry of lease	–	(3,280,092)	(3,280,092)
Exchange difference	–	193,832	193,832
At 30 June 2023	123,920	1,857,455	1,981,375
Net carrying amount			
At 30 June 2023	477,828	3,257,891	3,735,719

The Group leases land and buildings for use as its operation site, warehouse and office space. The leases generally have lease terms of 1 to 4 years, including renewal period.

7. INVESTMENT PROPERTIES

	2024 RM	Group 2023 RM
At fair value:		
At 1 July 2023/2022	6,463,205	6,463,205
Fair value loss (Note 28)	(563,000)	–
At 30 June	5,900,205	6,463,205

The investment properties comprise retail units in a shopping mall, stratified shop/office lots of a seven (7) storey shop/office building (intermediate unit) with one level of basement car park located within a commercial development, condominium units and retail units.

The freehold lands and buildings of the Group of RM5,360,000 (2023: RM5,360,000) have been pledged as security to secure term loans of the Group as disclosed in Note 22(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT PROPERTIES (CONT'D)

The following are recognised in profit or loss in respect of investment properties:

	2024 RM	Group 2023 RM
Rental income	115,200	115,200
Direct operating expenses:		
- income generating investment properties	(32,685)	(21,457)
- non-income generating investment properties	(15,450)	(30,849)

Operating lease commitments – as lessor

The Group leases its properties with lease terms ranging from 1 to 2 years (2023: 1 to 2 years). Some of the leases may be renewed for further terms and contains a clause to enable upward revision on each renewal.

Future minimum rental receivables under non-cancellable operating lease at the reporting date is as follows:

	2024 RM	Group 2023 RM
Not later than one year	86,400	67,200
Later than one year but not later than 5 years	9,600	28,800
	96,000	96,000

Fair value information

Fair value of investment properties is categorised as follows:

	2024 RM	Group 2023 RM
Level 2		
Investment properties	5,900,205	6,463,205

There are no Level 1 or Level 3 investment properties or transfers between Level 1 and Level 2 during the financial year ended 30 June 2024 or 30 June 2023.

Level 2 fair value

The fair value of properties was determined by an independent firm of professional valuers based on the market comparable approach that reflects recent transaction prices for similar properties, adjusted for differences in the nature, location or condition of the properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The most significant input into this valuation approach is price per square foot of the properties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INTANGIBLE ASSETS

	2024 RM	Group 2023 RM
Goodwill (Note 8.1)	31,439,577	31,439,577
Other intangible asset (Note 8.2)	–	–
	31,439,577	31,439,577

8.1 Goodwill

	2024 RM	Group 2023 RM
Cost		
At 1 July 2023/2022	55,462,123	55,462,123
Acquisition of a subsidiary	121,277	–
At 30 June	55,583,400	55,462,123
Accumulated impairment losses		
At 1 July 2023/2022	24,022,546	18,676,656
Impairment loss for the financial year (Note 28)	121,277	5,345,890
At 30 June	24,143,823	24,022,546
Net carrying amount		
At 30 June	31,439,577	31,439,577

Allocation of goodwill to cash-generating units ("CGUs")

The Group's goodwill, net of impairment, has been allocated to the respective CGUs, which operate in the Environment, Engineering and Rail segments, as follows:

	2024 RM	Group 2023 RM
Environment - SGSB and its subsidiaries	5,912,091	5,912,091
Engineering - QSB	13,802,238	13,802,238
Rail - TWS	11,725,248	11,725,248
	31,439,577	31,439,577

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INTANGIBLE ASSETS (CONT'D)

8.1 Goodwill (Cont'd)

Allocation of goodwill to cash-generating units ("CGUs") (Cont'd)

Based on the impairment assessment, the carrying amount of a CGU to which the goodwill was allocated to as at 30 June 2024 exceeded its recoverable amount. Accordingly, impairment loss of RM121,277 (2023: RM5,345,890) is recognised which is fully allocated to goodwill and is recorded within other expenses line in profit or loss of the Group. The impairment loss on goodwill is recognised for the following CGU:

	2024 RM	Group 2023 RM
Engineering - DDT	–	1,445,890
Rail - TWS	–	3,900,000
Environment - PPSB	121,277	–
	121,277	5,345,890

Key assumptions used in value-in-use computations

The recoverable amount for all CGUs has been determined based on value-in-use calculations using pre-tax cash flows projections based on financial budgets estimated by management covering a 4-year period and cash flows beyond the period are extrapolated with no growth rate assumed.

The values assigned to key assumptions are based on both external and internal sources of information. The following describes each key assumptions for which management has based its cash flows projections to undertake the impairment testing of goodwill:

	Gross margin	Revenue growth	Discount rate
2024			
Environment - SGSB and its subsidiaries	43%	11%	12%
Engineering - QSB	16%	11%	12%
Rail - TWS	21%	26%	13%
2023			
Environment - SGSB and its subsidiaries	42%	7%	12%
Engineering - QSB	16%	2%	14%
Engineering - DDT	34%	17%	18%
Rail - TWS	19%	26%	13%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INTANGIBLE ASSETS (CONT'D)

8.1 Goodwill (Cont'd)

Key assumptions used in value-in-use computations (Cont'd)

(a) Gross margin

The basis used to determine the value assigned to the budgeted gross margins is based on historical achieved margins and management's expectation of input prices.

(b) Revenue growth

Revenue growth over the 4-year period is projected based on management's estimation taking into consideration secured orders, anticipated identified future projects/contracts, historical growth rates and market outlook over the next 4 years.

(c) Discount rates

The discount rates used are pre-tax and take into consideration the industry risks associated with the relevant segments.

(d) Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

8.2 Other intangible asset

	2024 RM	Group 2023 RM
Cost		
At 1 July 2023/2022/30 June	4,270,024	4,270,024
Accumulated amortisation		
At 1 July 2023/2022/30 June	4,270,024	4,270,024
Net carrying amount		
At 1 July 2023/2022/30 June	–	–

Other intangible asset represents customer contracts arising from acquisition of Trackwork & Supplies Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES

	2024 RM	Company 2023 RM
Unquoted shares		
Cost of investment	271,991,759	165,513,910
ESOS granted to employees of subsidiaries	2,985,217	2,842,027
Less: Allowance for impairment loss	(44,555,243)	(61,768,822)
	230,421,733	106,587,115
Loans that are part of net investments	–	3,020,426
	230,421,733	109,607,541

Loans that are part of net investments represent amount owing by subsidiary which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiary. As this amount is, in substance, a part of the Company's net investment in the subsidiary, it is stated at cost less accumulated impairment loss, if any.

The movement in the impairment of investment in subsidiaries is as follows:

	Note	2024 RM	Company 2023 RM
At 1 July 2023/2022		61,768,822	59,949,408
Charge for the financial year (Note 28)		205,286	2,993,414
Reversal of impairment loss (Note 28)		(9,883,552)	(1,100,000)
Disposal of subsidiaries	(a)	(7,535,313)	–
Winding up of a subsidiary		–	(74,000)
At 30 June		44,555,243	61,768,822

During the financial year, the impairment of investment in a subsidiary had been recognised within other expenses line in profit or loss of the Company to write down the carrying amount to the recoverable amount of the subsidiary.

During the financial year, the reversal of impairment loss of investment in a subsidiary which had been recognised within other income line in profit or loss of the Company mainly attributable to higher share of recoverable amount following the acquisition of the remaining equity interests in the subsidiary. The recoverable amount of the investment was determined based on value in use calculations applying pre-tax discount rate of 13%.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Ambang Wira Sdn. Bhd. ("AWSB")	Malaysia	100	100	Comprehensive facility management services
Ambang Wira Facilities Sdn. Bhd. ("AWFSB") (fka AW Facility Management Sdn. Bhd.) @	Malaysia	–	100	Comprehensive facility management services
AWC Renewable Energy Sdn. Bhd. ("AWCRE")	Malaysia	100	100	Dormant
AWC Facilities Engineering Sdn. Bhd. ("AWCFE") #	Malaysia	-	-	Dormant
M & C Engineering and Trading Sdn. Bhd. ("M&C(M)")	Malaysia	100	100	Air-conditioning and building automation
Ambang Wira Healthcare Sdn. Bhd. ("AWHSB") (fka Environmental & Landscape Services Sdn. Bhd.)	Malaysia	100	100	Landscaping
Teroka Energy Sdn. Bhd. ("TESB") @	Malaysia	–	100	Dormant
AWC Pureti Sdn. Bhd. ("AWCP")	Malaysia	100	100	Dormant
AWC Healthcare Solutions ("AWCHS")	Malaysia	100	–	Dormant
Stream Group Sdn. Bhd. ("SGSB")** ^	Malaysia	100	51	General trading and installation of cleaning equipment, vacuum systems, automated vacuum waste collection system, pipe networks and specialised connections (environmental protection equipment)
Qudotech Sdn. Bhd. ("QSB")	Malaysia	100	100	Mechanical and electrical engineering works
DD Techniche Sdn. Bhd. ("DDT")	Malaysia	100	100	Contracting for mechanical engineering works and tradings of specialised water tanks and rainwater harvesting products
Trackwork & Supplies Sdn. Bhd. ("TWS")	Malaysia	100	60	Construction activities, acting as contractors and carrying on the business of general trading

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of company	Principal place of business/ Country of incorporation	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Subsidiaries of SGSB:				
Stream Industries Sdn. Bhd. ("SISB")	Malaysia	100	51	Businesses of manufacturing, general trading and installation of cleaning equipment, vacuum system, automated vacuum waste collection system, pipe networks and specialised connections (environmental protection equipment)
Stream Environment (S) Pte. Ltd. ("SESG")*	Singapore	100	51	Importers, dealers and contractors of industrial and domestic cleaning equipment and appliances
Stream Environment Sdn. Bhd. ("SESB")	Malaysia	100	51	General trading and installation of cleaning equipment, vacuum systems, automated vacuum waste collection system, pipe networks and specialised connections (environmental protection equipment)
Premium Patents Sdn. Bhd. ("PPSB")	Malaysia	100	–	Registering industrial methods, systems or processes patents and trademarks worldwide and licensing activities
Stream Automated Facility Management - L.L.C. - O.P.C. ("SAFM")**	United Arab Emirates	100	–	Provision of pipe networks, specialized connections installations, repair and maintenance for pipes and pipelines, building cleaning services and facilities management services
Stream Environment Protection Equipment Trading L.L.C. ("SPET")**	United Arab Emirates	100	–	Provision of environment protection equipment trading and building cleaning services
PT Stream Environment Solution (SEID)***	Indonesia	100	–	Trading of automated waste collection system equipments

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of company	Principal place of business/ Country of incorporation	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Subsidiaries of SGSB: (Cont'd)				
Stream Environment Co. Ltd (SESA)***	Kingdom of Saudi Arabia	100	–	Business of operating waste dumping places, providing waste collection, waste transportation and building maintenance services and installation, repair and maintenance of central cleaning systems
Subsidiary of QSB:				
Qudotech (JB) Sdn. Bhd. ("QJB")	Malaysia	100	100	Mechanical and electrical engineering works
Subsidiary of M&C(M):				
M & C Engineering and Trading (S) Pte. Ltd. ("M&C(S)")*	Singapore	100	100	Air-conditioning and building automation
Subsidiary of AWSB:				
AWC Rail Sdn. Bhd. ("AWCR")	Malaysia	100	100	Dormant
Subsidiary of QJB:				
Teroka Energy Sdn. Bhd. ("TESB") @	Malaysia	100	–	Dormant
Subsidiary of TESB:				
Ambang Wira Facilities Sdn. Bhd. ("AWFSB") @	Malaysia	100	–	Comprehensive facility management services

* Audited by auditors other than Baker Tilly Monteiro Heng PLT.

** Branches in Abu Dhabi and Dubai were converted into subsidiaries during the financial year and audited by auditors other than Baker Tilly Monteiro Heng PLT.

*** Incorporated during the year and consolidated using the unaudited financial information.

@ Transfer of subsidiaries pursuant to an internal reorganisation.

Under creditors' voluntary winding-up and dissolved on 30 September 2023.

^ Pledge of entire ordinary shares as security for term loans as disclosed in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Internal Reorganisation of Group Structure

During the financial year, the Company undertook an internal reorganisation that involved disposal of its entire equity interest in Teroka Energy Sdn. Bhd. to Qudotech (JB) Sdn. Bhd., a wholly-owned subsidiary of the Company. The Company also disposed of its entire equity interest in of Ambang Wira Facilities Sdn. Bhd. to Teroka Energy Sdn. Bhd.

(b) Acquisition of Premium Patents Sdn Bhd ("PPSB")

On 27 December 2023, the Company acquired the remaining 75.01% equity interest in PPSB. Consequently, PPSB became a wholly-owned subsidiary of the Company.

(i) Fair value of consideration transferred:

	RM
Cash consideration	1

(ii) Fair value of the identifiable assets acquired and liabilities recognised

	RM
Assets	
Property, plant and equipment	147,034
Trade and other receivables	153,019
Cash and cash equivalents	10,927
Total assets	310,980
Liabilities	
Trade and other payables	(432,256)
Total liabilities	(432,256)
Total identifiable net assets acquired	(121,276)
Goodwill arising on acquisition	121,277
Fair value of consideration transferred	1

(iii) Effects of acquisition on cash flows

	RM
Consideration paid in cash	(1)
Add: Cash and cash equivalents of a subsidiary acquired	10,927
Net cash inflows on acquisition	10,926

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Acquisition of additional equity interests in Stream Group Sdn Bhd ("SGSB") and Trackwork & Supplies Sdn. Bhd. ("TWS")

On 15 December 2023, the Company acquired additional 40% equity interest in Trackwork & Supplies Sdn. Bhd., a subsidiary of the Company for a total consideration of RM5,477,847 satisfied by issuance of 9,764,433 shares of the Company, pursuant to the exercise of the call option by the Company. Consequently, TWS became a wholly-owned subsidiary of the Company.

On 27 December 2023, the Company acquired additional 49% equity interest (representing 627,200 ordinary shares) in Stream Group Sdn. Bhd., a subsidiary of the Company for a total cash consideration of RM110 million. Consequently, SGSB became a wholly-owned subsidiary of the Company.

Effects of the increase in the Company's ownership interest are as follows:

	SGSB Group RM	TWS RM	Total RM
Fair value of consideration transferred	110,000,000	5,477,847	115,477,847
Increase in share of net assets	(65,111,982)	(12,484,015)	(77,595,997)
Excess/(Shortfall) charged directly to equity	44,888,018	(7,006,168)	37,881,850

(d) Incorporation of a subsidiary

On 5 July 2023, the Company subscribed for 2 ordinary shares in AWC Healthcare Solutions Sdn. Bhd. ("AWCHS") for a total cash consideration of RM2, representing the entire equity interest in AWCHS. Consequently, AWCHS became a wholly-owned subsidiary of the Company.

(e) Non-controlling interest in subsidiaries

Equity interests held by non-controlling interests:

Name of company	Principal place of business/Country of incorporation	Ownership interest	
		2024 %	2023 %
Stream Group Sdn. Bhd. and its subsidiaries ("SGSB Group")	Malaysia	—	49
Trackwork & Supplies Sdn. Bhd. ("TWS")	Malaysia	—	40

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(e) Non-controlling interest in subsidiaries (Cont'd)

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows:

Carrying amount of material non-controlling interests:

Name of company	2024 RM	2023 RM
SGSB Group	–	61,037,470
TWS	–	11,826,638

Profit or loss allocated to material non-controlling interests:

Name of company	2024 RM	2023 RM
SGSB Group	4,188,126	8,294,982
TWS	657,378	322,295
AWCFE	–	(1,485)
	4,845,504	8,615,792

Total comprehensive income or loss allocated to material non-controlling interests:

Name of company	2024 RM	2023 RM
SGSB Group	4,074,511	9,808,538
TWS	657,378	322,295
AWCFE	–	(1,485)
	4,731,889	10,129,348

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) Summarised financial information of material non-controlling interest

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows:

	SGSB Group RM	TWS RM
Summarised statement of financial position as at 30 June 2023		
Non-current assets	8,225,183	3,054,510
Current assets	141,595,425	34,718,583
Current liabilities	(26,019,320)	(8,106,880)
Non-current liabilities	(883,031)	(112,949)
Net assets	122,918,257	29,553,264
Summarised statement of comprehensive income for the financial year ended 30 June 2023		
Revenue	100,756,628	20,790,565
Profit for the financial year	16,928,534	805,737
Total comprehensive income	20,017,423	805,737
Summarised of cash flows information for the financial year ended 30 June 2023		
Cash flows from/(used in) operating activities	19,138,394	(6,299,777)
Cash flows (used in)/from investing activities	(7,138,916)	3,995,232
Cash flows used in financing activities	(6,679,737)	(426,235)
Net increase/(decrease) in cash and cash equivalents	5,319,741	(2,730,780)
Dividends paid to non-controlling interests	2,940,000	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVESTMENT IN AN ASSOCIATE

	2024 RM	Group 2023 RM
Unquoted shares		
Cost of investment	157,482	157,482
Share of post acquisition results	(157,482)	(157,482)
	–	–

Details of the associate which is incorporated in Malaysia, is as follows:

Name of company	Principal place of business/ Country of incorporation	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Held by SGSB:				
Premium Patents Sdn. Bhd. ("PPSB")	Malaysia	–	24.99	Registering industrial methods, systems or processes patents and trademarks worldwide and licensing activities

On 27 December 2023, the Company acquired the remaining 75.01% equity interest in PPSB. Consequently, PPSB became a wholly-owned subsidiary of the Company.

In the previous financial year, the Group has not recognised its share of losses of PPSB amounting to RM34,214 because the Group's cumulative share of losses has exceeded its interest in that associate and the Group has no obligation in respect of these losses. The Group's cumulative losses not recognised were RM102,179.

11. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Note	Company 2024 RM	2023 RM
Non-current			
Amount due from subsidiaries	(a)	–	4,921,080
Current			
Amount due from subsidiaries	(b)	4,760,994	1,625,760
Less: Allowance for impairment losses	(c)	(2,091,523)	(436,197)
		2,669,471	1,189,563
Amount due to subsidiaries	(d)	(5,794,728)	(370,191)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. AMOUNT DUE FROM/(TO) SUBSIDIARIES (CONT'D)

- (a) In the previous financial year, the amount due from subsidiaries (non-current) are non-trade in nature, unsecured, interest-free, not expected to be receivable within the next 12 months and are expected to be settled in cash except for an amount of RM4,083,379 which bears interest at a rate of 4.00% per annum.
- (b) The amount due from subsidiaries (current) are non-trade in nature, unsecured, interest-free, repayable on demand and are expected to be settled in cash, except for an amount of RM1,177,044 (2023: RM Nil) which bears interest at a rate of 5.20% (2023: Nil) per annum.
- (c) The Company's amount due from subsidiaries that are impaired at the reporting date and the reconciliation of movement in the impairment of amounts due from subsidiaries is as follows:

	Company	
	2024 RM	2023 RM
At 1 July 2023/2022	436,197	534,255
Charge for the financial year (Note 28)	1,655,326	32,979
Winding up of a subsidiary	–	(131,037)
At 30 June	2,091,523	436,197

- (d) The amount due to subsidiaries are non-trade in nature, unsecured, interest-free, repayable on demand and are expected to be settled in cash except for an amount of RM4,500,000 (2023: RM Nil) which bears effective interest at a rate 5.20% (2023: Nil) per annum.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

12. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) relate to the following:

Group	At 1 July 2022 RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	Exchange differences RM	At 30 June 2023 RM	Recognised in profit or loss RM	Recognised in other comprehensive income RM	Exchange differences RM	At 30 June 2024 RM
Deferred tax assets									
Receivables/Contract assets	2,261,703	1,425,514	-	-	3,687,217	(1,544,203)	-	-	2,143,014
Payables/Contract liabilities	1,765,011	1,435,353	-	-	3,200,364	(1,238,738)	-	-	1,961,626
Property, plant and equipment	(1,522,210)	83,280	-	-	(1,438,930)	20,691	-	-	(1,418,239)
Unutilised tax losses	-	1,132,670	-	-	1,132,670	681,487	-	-	1,814,157
Unabsorbed capital allowance	-	-	-	-	-	543,246	-	-	543,246
Others	144,148	(342,525)	-	14,386	(183,991)	68,254	-	2,121	(113,616)
	2,648,652	3,734,292	-	14,386	6,397,330	(1,469,263)	-	2,121	4,930,188
Deferred tax liabilities									
Property, plant and equipment	(29,380)	113,280	(113,280)	-	(29,380)	32,907	(22,656)	-	(19,129)
	(29,380)	113,280	(113,280)	-	(29,380)	32,907	(22,656)	-	(19,129)
	2,619,272	3,847,572	(113,280)	14,386	6,367,950	(1,436,356)	(22,656)	2,121	4,911,059

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

	2024 RM	Group 2023 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	4,930,188	6,397,330
Deferred tax liabilities	(19,129)	(29,380)
	4,911,059	6,367,950

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2024 RM	Group 2023 RM
Unutilised tax losses	4,195,006	8,159,514
Unabsorbed capital allowances	6,039	189,601
Deductible temporary differences	17,420,649	20,393,044
	21,621,694	28,742,159

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses which are available for offset against future taxable profits of the subsidiaries will expire in the following financial years:

	2024 RM	Group 2023 RM
2028	254,863	807,296
2029	91,723	2,105,006
2030	2,124,781	2,922,600
2031	195,826	195,826
2032	179,896	794,789
2033	1,283,759	1,333,997
2034	64,158	–
	4,195,006	8,159,514

Unrecognised temporary differences relating to investment in subsidiaries

The Group has unrecognised taxable temporary differences associated with undistributed profits of the Group's foreign entities amounting to RM22,321,171 (2023: RM16,279,530) which would result in estimated tax payable of RM4,813,333 (2023: RM3,907,087) for which deferred tax liabilities have not been recognised as the Group has determined that undistributed earnings of its entities will not be distributed in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. INVENTORIES

	2024 RM	Group 2023 RM
Consumables	3,242,342	3,176,274
Raw materials	2,151,088	4,554,578
Finished goods	7,894,885	8,097,773
Trading and installation goods	16,100,918	18,959,053
	29,389,233	34,787,678

- (a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year amounted to RM60,858,243 (2023: RM62,946,853).
- (b) The cost of inventories of the Group recognised as an expense in other expenses line in profit or loss during the financial year in respect of write-down of inventories to net realisable value amounted to RM194,885 (2023: RM658,601).
- (c) The cost of inventories of the Group recognised as an expense in other expenses line in profit or loss during the financial year in respect of write-off of inventories amounted to RM32,385 (2023: RM127,875).
- (d) During the financial year, the Group reversed the previous inventories written down value of RM52,388 (2023: RM Nil), as a result of increased sales price in certain markets. The amount of reversal was included in the other income line in profit or loss.

14. TRADE AND OTHER RECEIVABLES

	Note	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
Current:					
Trade					
Trade receivables	(a)				
- billed		105,510,794	130,475,299	-	-
- unbilled		22,385,900	12,817,045	-	-
		127,896,694	143,292,344	-	-
Less: Allowance for impairment losses		(26,268,530)	(29,175,635)	-	-
		101,628,164	114,116,709	-	-
Retention sum on contracts		24,330,659	25,247,980	-	-
Less: Allowance for impairment losses		(1,777,574)	(1,106,135)	-	-
		22,553,085	24,141,845	-	-
		124,181,249	138,258,554	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. TRADE AND OTHER RECEIVABLES (CONT'D)

		2024	Group	2024	Company
	Note	RM	2023	RM	2023
			RM		RM
Non-trade					
Other receivables	(b)	2,539,982	1,829,160	197,149	116,004
SST refundable		–	61,295	–	–
Dividend receivable		–	–	5,000,000	–
Staff loans		373,496	250,515	–	–
Deposits		2,107,425	2,072,872	–	–
Advances to suppliers		20,294,913	8,838,988	–	–
Prepayments		8,217,247	7,638,575	928,319	15,626
		33,533,063	20,691,405	6,125,468	131,630
Less: Allowance for impairment losses		(156,146)	(158,298)	–	–
		33,376,917	20,533,107	6,125,468	131,630
Total trade and other receivables		157,558,166	158,791,661	6,125,468	131,630

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 180 days (2023: 30 to 180 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

The retention sum which is receivable upon the expiry of defect liability period as provided in the contracts with customers, is expected to be collected as follows:

	2024	Group
	RM	2023
		RM
No later than one year	7,070,860	8,895,473
Later than one year	15,482,225	15,246,372
	22,553,085	24,141,845

Receivables that are impaired

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

	2024	Group
	RM	2023
		RM
Trade receivables		
At 1 July 2023/2022	29,175,635	25,861,981
Charged for the financial year (Note 28)		
- Individually assessed	565,554	5,067,103
Reversal of impairment loss (Note 28)	(3,153,948)	(1,996,319)
Written off	(350,336)	(3,192)
Exchange differences	31,625	246,062
At 30 June	26,268,530	29,175,635

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

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

	2024 RM	Group 2023 RM
Retention sum		
At 1 July 2023/2022	1,106,135	835,376
Charged for the financial year (Note 28)		
- Individually assessed	696,496	559,430
Reversal of impairment loss (Note 28)	(31,917)	(332,744)
Exchange differences	6,860	44,073
At 30 June	1,777,574	1,106,135

The information about the credit exposures are disclosed in Note 33(b)(i) to the financial statements.

(b) Other receivables

Receivables that are impaired

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

	2024 RM	Group 2023 RM
At 1 July 2023/2022	158,298	175,695
Reversal of impairment loss (Note 28)	(2,724)	(23,597)
Exchange differences	572	6,200
At 30 June	156,146	158,298

The information about the credit exposures are disclosed in Note 33(b)(i) to the financial statements.

15. CONTRACT ASSETS/(LIABILITIES)

	2024 RM	Group 2023 RM
Contract assets relating to construction contracts	42,524,162	42,871,399
Contract assets relating to maintenance contracts	7,506,271	3,181,242
Contract assets relating to design and supply contracts	1,078,518	-
Total contract assets	51,108,951	46,052,641
Contract liabilities relating to construction contracts	(14,865,104)	(21,290,850)
Contract liabilities relating to design and supply contracts	(12,847,131)	(4,266,937)
Total contract liabilities	(27,712,235)	(25,557,787)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(a) Significant changes in contract balances

Group	2024		2023	
	Contract assets Increase/ (Decrease) RM	Contract liabilities (Increase)/ Decrease RM	Contract assets Increase/ (Decrease) RM	Contract liabilities (Increase)/ Decrease RM
Revenue recognised that was included in contract liability at the beginning of the financial year	–	17,471,643	–	14,862,810
Increase due to progress billings and cash received, but revenue not recognised	–	(19,625,748)	–	(18,941,858)
Increase due to revenue recognised during the year, but subject to conditional right to consideration	39,235,770	–	35,101,630	–
Transfer from contract assets recognised at the beginning of the year to receivables	(37,431,514)	–	(40,449,789)	–
Net reversal/(allowance) for impairment losses of contract assets (Note 28)	3,235,296	–	(3,219,959)	–
Exchange differences	16,758	(343)	(553,605)	(316,452)

16. AMOUNT DUE FROM AN ASSOCIATE

In previous financial year, the amount due from an associate is non-trade in nature, unsecured, interest-free, repayable on demand and is expected to be settled in cash.

17. SHORT-TERM INVESTMENTS

The short-term investments are in respect of investments in unit trust funds placed with fund management companies and are redeemable from one to seven days notice.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	65,867,466	62,622,100	3,859,289	1,500,105
Short-term deposits	53,370,264	56,851,929	3,125,000	–
	119,237,730	119,474,029	6,984,289	1,500,105

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term deposits	53,370,264	56,851,929	3,125,000	–
Less: Pledged deposits	(9,930,286)	(12,915,485)	(3,125,000)	–
Less: Deposits with tenure more than 3 months	(100,000)	(10,441,980)	–	–
	43,339,978	33,494,464	–	–
Cash and bank balances	65,867,466	62,622,100	3,859,289	1,500,105
Bank overdrafts (Note 22)	–	(2,618,998)	–	–
	109,207,444	93,497,566	3,859,289	1,500,105

The interest rate and maturity period of deposits are as follows:

	Group	
	2024	2023
Interest rate per annum (%)	1.85% to 4.05%	1.50% to 4.05%
Maturity period (days)	1 day to 18 months	1 day to 365 days

Included in deposits placed with licensed banks of the Group is an amount of RM9,930,286 (2023: RM12,915,485) which have been pledged to banks for credit facilities granted to certain subsidiaries as disclosed in Note 22(a) to the financial statements.

19. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2024 Unit	2023 Unit	2024 RM	2023 RM
Issued and fully paid up (no par value):				
At 1 July 2023/2022	322,678,750	321,354,250	119,696,879	119,151,295
Issued during the year	12,177,333	1,324,500	6,806,981	545,584
At 30 June	334,856,083	322,678,750	126,503,860	119,696,879

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. SHARE CAPITAL (CONT'D)

During the financial year, the Company:

- i. issued 9,764,433 new ordinary shares at a price of RM0.561 per ordinary share as the purchase consideration for the acquisition of the 40.00% equity interest in Trackwork & Supplies Sdn. Bhd.; and
- ii. issued 2,412,900 new ordinary shares for cash pursuant to the exercise of the Company's ESOS at exercise prices between RM0.237 to RM0.723 per ordinary share.

The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

20. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirements of Section 127 of the Companies Act 2016 in Malaysia.

The directors of the Company are committed to enhance the value of the Company and its shareholders and believe that the share repurchase plan can be executed in the best interests of the Company and its shareholders.

As at 30 June 2024, the Company held 4,628,700 (2023: 4,628,700) treasury shares out of its 334,856,083 (2023: 322,678,750) issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM1,287,081 (2023: RM1,287,081). There was no resale, cancellation or distribution of treasury shares during the financial year.

21. OTHER RESERVES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Merger relief	(a)	–	–	12,522,542	12,522,542
Translation reserve	(b)	9,874,813	9,274,259	–	–
Revaluation reserve	(c)	4,496,542	4,438,130	–	–
Share option reserve	(d)	450,596	63,871	450,596	63,871
		14,821,951	13,776,260	12,973,138	12,586,413

(a) Merger relief

Merger relief relates to the excess of fair value of shares issued by the Company for the acquisition of the subsidiaries over the par value of these shares.

(b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Revaluation reserve

The revaluation reserve is used to record revaluation surplus from buildings in property, plant and equipment, net of deferred tax. In the event of sale of any of the assets, the balance in the reserve in relation to that asset is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. OTHER RESERVES (CONT'D)

(d) Share option reserve

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

On 1 October 2015, the shareholders approved the implementation of an ESOS, the main features of which are as follows:

- (i) The ESOS shall be in force for a period of five years from the date of implementation and may be extended or renewed (as the case may be) for a further period of five years at the sole and absolute discretion of the directors upon recommendation of the ESOS Committee provided that the initial period of five years and such extension made shall not in aggregate exceed a duration of ten years from the date of implementation.
- (ii) Natural persons who are eligible under the ESOS include executive and non-executive Directors and employees of the Group who are at least eighteen years of age whose employment with the Group has been confirmed in writing. For the case of non Malaysian citizens, participation in the ESOS shall be determined at the sole and absolute discretion of the ESOS Committee.
- (iii) The aggregate number of shares to be offered under the ESOS shall not exceed 15% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) at the date of offer or such other percentage of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) as may be permitted by the relevant authorities from time to time during the duration of the ESOS.
- (iv) The subscription price for each share under the ESOS shall, subject always to the by-laws, be the higher of the volume weighted average market price of the shares for the five market days immediately preceding the date of offer, with a discount of not more than 10%, or any such other percentage of discounts as may be permitted by the authorities from time to time during the duration of the ESOS or the par value of the share at the date of offer.
- (v) The number of shares under option and the option price may be adjusted as a result of any alteration in the capital structure of the Company by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital or otherwise howsoever, if any, made by the Company while an option remains unexercised.
- (vi) Options granted under the ESOS can be exercised by the grantee by notice in writing to the Company during the option period in the prescribed form in multiples of one hundred shares or in any other denomination as prescribed by the authorities as a board lot.
- (vii) No person who is participating in the ESOS will be entitled to participate in more than one employee share options scheme currently implemented by any company within the Group.

Extension of ESOS

On 25 February 2020, the Company extended its existing ESOS which is expiring on 8 October 2020 for another five (5) years until 8 October 2025, in accordance with the terms of the ESOS By-Laws. The extension is not subject to the approval from Bursa Malaysia Securities Berhad, Securities Commission and shareholders of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. OTHER RESERVES (CONT'D)

(d) Share option reserve (Cont'd)

Movement of share options during the financial year

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

	Number 2024 RM	WAEP 2024 RM	Number 2023 RM	WAEP 2023 RM
Group and Company				
At 1 July	6,465,982	0.468	8,271,282	0.435
Granted	8,993,000	0.443	–	–
Exercised	(2,412,900)	0.398	(1,324,500)	0.254
Lapsed	(324,822)	0.504	(480,800)	0.493
At 30 June	12,721,260	0.463	6,465,982	0.468
Exercisable at the end of the financial year	12,721,260	0.463	6,465,982	0.468

The options outstanding at 30 June 2024 have exercise price ranging from RM0.237 to RM0.751 (2023: RM0.237 to RM0.751) and the weighted average remaining contractual life for the share options outstanding at 30 June 2024 was approximately 1.28 years (2023: 2.28 years).

The weighted average share price at the date of exercise of the options during the financial year was RM0.950 (2023: RM0.415).

The fair value of the share options granted during the financial year was determined using a binomial option pricing model, and the inputs were:

	2024 Seventh grant	2024 Eighth grant
Share price (RM)	0.47	0.58
Exercise price (RM)	0.42	0.51
Expected volatility (%)	26.25	29.44
Risk-free interest rate (%)	3.25	3.46
Expected dividend yield (%)	4.20	4.00
Expected option life (years)	2.09	1.84

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

(e) Warrants reserve

During the financial year ended 30 June 2018, the Company allotted and issued 56,824,679 free warrants in connection with the Bonus Issue of free warrants constituted under the deed poll dated 6 December 2018.

The salient features of the warrants are as follows:

- entitles its registered holders to subscribe for one (1) new ordinary share at the exercise price during the exercise period;
- the exercise price is RM0.88 per share subject to adjustments in accordance with the provisions of the deed poll executed; and
- the warrants may be exercised at any time for a period of 2 years commencing on and including 26 December 2021 ("exercise period"). Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. OTHER RESERVES (CONT'D)

(e) Warrants reserve (Cont'd)

The movement of the warrants during the financial year is as follows:

	At 1 July 2023	Number of warrants			At 30 June 2024
		Allotment	Exercised	Lapsed	
Warrants	56,824,679	–	–	(56,824,679)	–

The warrants expired on 22 December 2023.

22. LOANS AND BORROWINGS

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current:					
Term loans	(a)	60,152,777	–	60,152,777	–
Lease liabilities	(b)	958,706	1,322,172	–	–
Hire purchase payables	(c)	1,466,418	1,535,045	–	–
		62,577,901	2,857,217	60,152,777	–
Current:					
Term loans	(a)	12,666,667	–	12,666,667	–
Lease liabilities	(b)	2,671,954	2,036,306	–	–
Hire purchase payables	(c)	641,467	589,194	–	–
Revolving credits	(d)	18,000,000	14,400,000	17,000,000	5,000,000
Trade loan	(e)	10,377,563	2,495,093	–	–
Bank overdrafts	(f)	–	2,618,998	–	–
		44,357,651	22,139,591	29,666,667	5,000,000
Total loans and borrowings:					
Term loans	(a)	72,819,444	–	72,819,444	–
Lease liabilities	(b)	3,630,660	3,358,478	–	–
Hire purchase payables	(c)	2,107,885	2,124,239	–	–
Revolving credits	(d)	18,000,000	14,400,000	17,000,000	5,000,000
Trade loan	(e)	10,377,563	2,495,093	–	–
Bank overdrafts	(f)	–	2,618,998	–	–
		106,935,552	24,996,808	89,819,444	5,000,000

(a) Term loans

The term loans of the Company bear interest at rate of 5.16% per annum and are secured and supported as follows:

- (i) pledge of entire ordinary shares of SGSB (Note 9); and
- (ii) legal charge over the finance service reserve account ("FSRA") of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. LOANS AND BORROWINGS (CONT'D)

(b) Lease liabilities

The weighted average incremental borrowing rate of the Group applied to the lease liabilities are 3.00% to 6.70% (2023: 3.00% to 6.70%) per annum.

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	2024 RM	Group 2023 RM
Minimum lease payments:		
Not later than one year	2,803,580	2,151,707
Later than one year but not later than five years	970,735	1,360,022
	3,774,315	3,511,729
Less: Future finance charges	(143,655)	(153,251)
Present value of minimum lease payments	3,630,660	3,358,478
Present value of minimum lease payments payable:		
Not later than one year	2,671,954	2,036,306
Later than one year but not later than five years	958,706	1,322,172
	3,630,660	3,358,478
Less: Amount due within 12 months	(2,671,954)	(2,036,306)
Amount due after 12 months	958,706	1,322,172

(c) Hire purchase payables

Certain motor vehicles of the Group as disclosed in Note 5 to the financial statements are pledged under hire purchase arrangements.

The hire purchase payables bear interest at rates ranging from 2.05% to 7.84% (2023: 2.05% to 5.26%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. LOANS AND BORROWINGS (CONT'D)

(c) Hire purchase payables (Cont'd)

Future minimum hire purchase payables together with the present value of net minimum hire purchase payments are as follows:

	2024 RM	Group 2023 RM
Minimum hire purchase payments:		
Not later than one year	743,481	672,966
Later than one year but not later than five years	1,583,422	1,661,724
	2,326,903	2,334,690
Less: Future finance charges	(219,018)	(210,451)
Present value of minimum hire purchase payments	2,107,885	2,124,239
Present value of minimum hire purchase payable:		
Not later than one year	641,467	589,194
Later than one year but not later than five years	1,466,418	1,535,045
	2,107,885	2,124,239
Less: Amount due within 12 months	(641,467)	(589,194)
Amount due after 12 months	1,466,418	1,535,045

(d) Revolving credits

Revolving credits bear interest at rates ranging from 5.02% to 5.38% (2023: 4.66% to 5.23%) per annum and are secured and supported as follows:

- (i) Corporate guarantee by the Company and certain subsidiaries;
- (ii) Letter of negative pledge by the Company; and
- (iii) Blanket Counter Indemnity from the Company and certain subsidiaries.

(e) Trade loan

Trade loan bears interest at rates ranging from 3.59% to 6.56% (2023: 3.59% to 5.13%) per annum and is secured by a corporate guarantee by the Company.

(f) Bank overdrafts

In previous financial year, bank overdrafts bear interest at rate of 3.00% per annum and is secured by a corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-current:					
Non-trade					
Provision for retirement benefit obligation	(a)	–	352,508	–	–
Current:					
Trade					
Trade payables	(b)	38,922,813	45,620,474	–	–
Retention sum on contracts		3,375,817	3,456,401	–	–
Trade accruals		26,805,856	18,041,018	–	–
		69,104,486	67,117,893	–	–
Non-trade					
Other payables		1,815,145	1,040,191	82,547	69,048
GST payable		1,018,184	911,339	–	–
SST payable		5,243,989	5,664,079	–	–
Deposits		298,729	182,596	–	–
Accruals		13,963,037	17,692,113	643,141	638,546
		22,339,084	25,490,318	725,688	707,594
		91,443,570	92,608,211	725,688	707,594
Total trade and other payables (non-current and current)		91,443,570	92,960,719	725,688	707,594

(a) The Group operates an unfunded, non-contributory defined benefit retirement scheme ("the Scheme") for its eligible employees. Under the Scheme, eligible employees are entitled to retirement contribution at agreed basis for each completed year of service attainment of the retirement age of 60, without cessation of employment prior to age 65. During the financial year, the provision for the retirement benefit obligation have been paid to the retired employees.

(b) Trade payables are non-interest bearing and are normally with credit period ranging from 30 to 90 days (2023: 30 to 90 days). The retention sum which is payable upon the expiry of defect liability period and is expected to be settled as follows:

	Group	
	2024 RM	2023 RM
No later than one year	1,134,413	1,502,654
Later than one year	2,241,404	1,953,747
	3,375,817	3,456,401

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. EMPLOYEE BENEFITS

	2024 RM	Group 2023 RM
At 1 July 2023/2022	1,408,350	1,189,297
Recognised in profit or loss (Note 28)	229,747	143,785
Payment during the year	(174,050)	–
Exchange difference	11,090	75,268
At 30 June	1,475,137	1,408,350

Employee benefits represent the amounts required to cover end of service benefits at the reporting date. The amounts are computed pursuant to the applicable Labour Law in United Arab Emirates based on the employees' accumulated period of service and basic remuneration at the end of reporting period.

25. AMOUNT DUE TO DIRECTORS

The amount due to directors are non-trade in nature, unsecured, interest-free, repayable on demand and is expected to be settled in cash.

26. REVENUE

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Revenue from contract with customers:				
Construction and engineering contracts	110,598,989	134,356,211	–	–
Design and supply contracts	8,403,844	774,260	–	–
Sale of goods	45,934,549	45,340,432	–	–
Rendering of services	233,216,488	200,645,678	–	–
Commission income	854,126	188,110	–	–
Management fees	–	–	1,920,000	1,920,000
	399,007,996	381,304,691	1,920,000	1,920,000
Revenue from other source:				
Dividend income	–	–	30,000,000	4,560,000
	399,007,996	381,304,691	31,920,000	6,480,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. REVENUE (CONT'D)

(a) Disaggregation of revenue

The Group reports the following major segments: facilities, engineering, environment, rail in accordance with MFRS 8 Operating Segments. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into primary geographical markets, products or services and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Facilities RM	Engineering RM	Environment RM	Rail RM	Total RM
Group 2024					
Primary geographical markets:					
Malaysia	206,031,950	34,505,181	28,400,018	18,967,835	287,904,984
Singapore	–	37,361,451	48,505,316	–	85,866,767
United Arab Emirates	–	–	25,236,245	–	25,236,245
	206,031,950	71,866,632	102,141,579	18,967,835	399,007,996
Products or services					
Refurbishment services	5,139,368	–	–	–	5,139,368
Air-conditioning and building automation	–	2,212,410	–	–	2,212,410
Automated pneumatic waste collection system	–	–	73,314,222	–	73,314,222
Mechanical and electrical engineering works	–	29,932,990	–	–	29,932,990
Sale of goods	–	35,947,487	1,733,469	16,816,053	54,497,009
Maintenance services	200,892,582	3,773,745	27,093,888	1,297,656	233,057,871
Commission income	–	–	–	854,126	854,126
	206,031,950	71,866,632	102,141,579	18,967,835	399,007,996
Timing of revenue recognition:					
At a point in time	4,890,260	35,830,630	1,733,469	18,967,835	61,422,194
Over time	201,141,690	36,036,002	100,408,110	–	337,585,802
	206,031,950	71,866,632	102,141,579	18,967,835	399,007,996

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. REVENUE (CONT'D)

(a) Disaggregation of revenue (Cont'd)

	Facilities RM	Engineering RM	Environment RM	Rail RM	Total RM
Group (Cont'd)					
2023					
Primary geographical markets:					
Malaysia	185,638,938	41,072,900	26,414,913	20,790,565	273,917,316
Singapore	–	33,045,660	51,791,645	–	84,837,305
United Arab Emirates	–	–	22,550,070	–	22,550,070
	185,638,938	74,118,560	100,756,628	20,790,565	381,304,691
Products or services					
Refurbishment services	10,214,074	–	–	–	10,214,074
Air-conditioning and building automation	–	4,794,870	–	–	4,794,870
Automated pneumatic waste collection system	–	–	80,418,606	–	80,418,606
Mechanical and electrical engineering works	–	38,928,661	–	–	38,928,661
Sale of goods	–	27,481,533	381,142	18,252,016	46,114,691
Maintenance services	175,424,864	2,913,496	19,956,880	2,350,439	200,645,679
Commission income	–	–	–	188,110	188,110
	185,638,938	74,118,560	100,756,628	20,790,565	381,304,691
Timing of revenue recognition:					
At a point in time	5,384,559	30,395,029	381,142	20,016,305	56,177,035
Over time	180,254,379	43,723,531	100,375,486	774,260	325,127,656
	185,638,938	74,118,560	100,756,628	20,790,565	381,304,691

The Company recognised revenue from contract customers amounting to RM1,920,000 (2023: RM1,920,000) over time.

(b) Transaction price allocated to the remaining performance obligations

As of 30 June 2024, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM596.60 million (2023: RM785.82 million) and the Group will recognise this revenue as the construction are completed or services are performed, which is expected to occur over the next 5 years (2023: 5 years).

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. FINANCE (COSTS)/INCOME, NET

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expenses on:				
- Amount due to a subsidiary	–	–	(109,399)	(209,752)
- Bank overdrafts	(64,300)	(149,405)	–	(17,518)
- Lease liabilities	(171,454)	(188,939)	–	–
- Hire purchase payables	(106,406)	(66,976)	–	–
- Revolving credits and trade loan	(1,286,584)	(316,284)	(767,933)	–
- Term loans	(2,183,844)	(117,842)	(2,183,844)	–
	(3,812,588)	(839,446)	(3,061,176)	(227,270)
Interest income on:				
Accretion of discount on trade receivables	44,904	102,562	–	–
Income from short-term investments	848,639	590,090	8,655	11,674
Interest income from advances to subsidiaries	–	–	137,022	180,911
Interest income from banks	2,200,780	1,580,057	211,519	142,563
	3,094,323	2,272,709	357,196	335,148
Finance (costs)/income, net	(718,265)	1,433,263	(2,703,980)	107,878

28. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
- statutory audit:				
- Malaysian operations				
- Baker Tilly Monteiro Heng PLT	450,400	413,300	106,000	100,000
- Overseas operations				
- other auditors	162,701	140,526	–	–
- non-statutory audit:				
- Malaysian operations				
- Baker Tilly Monteiro Heng PLT	13,000	13,000	13,000	13,000
Other services				
- Member firm of Baker Tilly International	64,950	64,314	8,000	8,000
Deposits written off	–	14,432	–	–
Depreciation of property, plant and equipment	3,175,279	2,822,452	13,826	16,863
Depreciation of right-of-use assets	2,628,415	2,304,987	–	–
Directors' fees	395,000	402,800	295,000	290,000
Employee benefits expense (Note 29)	96,616,824	97,150,207	1,752,226	1,550,247
Expenses relating to short-term leases	1,316,476	1,285,316	18,000	18,000
Expenses relating to lease of low value assets	11,403	9,158	–	–
Fair value loss on investment properties	563,000	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. PROFIT BEFORE TAX (CONT'D)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax (Cont'd):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Foreign exchange loss/(gain)				
- realised	227,302	77,952	-	-
- unrealised	716,246	(874,551)	-	-
Impairment losses on:				
- amount due from subsidiaries	-	-	1,655,326	32,979
- contract assets	-	3,219,959	-	-
- goodwill	121,277	5,345,890	-	-
- investment in subsidiaries	-	-	205,286	2,993,414
- trade receivables	565,554	5,067,103	-	-
- retention sum	696,496	559,430	-	-
- property, plant and equipment	23,920	72,297	-	-
Inventories written down to net realisable value	194,885	658,601	-	-
Inventories written off	32,385	127,875	-	-
Loss on winding up of a subsidiary	-	575,139	-	-
Property, plant and equipment written off	166,463	3,266	-	-
Provision for employee benefits	229,747	143,785	-	-
Bad debt recovered	(104,005)	-	-	-
Gain on disposal of property, plant and equipment	(135,571)	(234,783)	-	-
Gain on termination of right-of-use assets	(4,824)	-	-	-
Rental income from investment properties	(115,200)	(115,200)	-	-
Rental income from plant and machinery	(39,600)	(52,800)	-	-
Reversal of impairment losses on:				
- investment in subsidiaries	-	-	(9,883,552)	(1,100,000)
- contract assets	(3,235,296)	-	-	-
- trade receivables	(3,153,948)	(1,996,319)	-	-
- other receivables	(2,724)	(23,597)	-	-
- retention sum	(31,917)	(332,744)	-	-
Reversal of inventories written down	(52,388)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages, bonus and allowances	83,950,594	85,609,922	1,125,939	1,153,769
Defined contribution plan	8,019,662	7,929,944	104,871	104,148
Social security costs	987,369	928,543	3,476	3,512
Employees' Share Option Scheme	814,134	–	119,944	–
Other staff related expenses	2,845,065	2,681,798	397,996	288,818
	96,616,824	97,150,207	1,752,226	1,550,247
Included in employee benefits expense are:				
Directors' other emoluments	10,391,478	12,781,019	314,000	300,000

Remuneration in the form of benefits-in-kind for the Executive Directors of the Group for the financial year amounted to RM179,263 (2023: RM210,549).

30. INCOME TAX EXPENSE AND ZAKAT

The major components of income tax expense and zakat for the financial years ended 30 June 2024 and 30 June 2023 are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Statements of comprehensive income				
Current tax:				
Current financial year	5,474,973	7,216,084	472,100	416,500
Under/(Over) provision in prior financial years	951,583	(450,449)	(146,766)	(149,062)
	6,426,556	6,765,635	325,334	267,438
Deferred tax:				
Origination/(Reversal) of temporary differences	1,980,774	(3,464,098)	–	–
Over provision in prior financial years	(544,418)	(383,474)	–	–
	1,436,356	(3,847,572)	–	–
Income tax expense recognised in profit or loss	7,862,912	2,918,063	325,334	267,438
Zakat	120,000	120,000	–	–
Total	7,982,912	3,038,063	325,334	267,438
Deferred tax related to other comprehensive income				
Revaluation of property	22,656	113,280	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. INCOME TAX EXPENSE AND ZAKAT (CONT'D)

Domestic income tax is calculated at Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions whilst the income from operations in United Arab Emirates are exempted from tax in previous financial year. During the financial year, the income tax rates applicable to the subsidiaries in Singapore and United Arab Emirates are 17% and 9% respectively (2023: 17% and Nil).

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	32,309,367	13,829,950	33,022,139	1,975,544
Tax at Malaysian statutory income tax rate of 24% (2023: 24%)	7,754,248	3,319,188	7,925,313	474,131
Different tax rates in other countries				
Tax effects arising from:	(1,623,193)	(767,741)	–	–
- non-taxable income/tax exempt	(355,737)	(968,641)	(9,576,207)	(1,361,202)
- non-deductible expenses	3,582,220	2,952,037	2,122,994	1,303,571
Tax effect of partial tax exemption	(192,879)	(138,910)	–	–
Deferred tax assets not recognised	–	14,523	–	–
Utilisation of previously unrecognised tax losses and other temporary differences	(1,708,912)	(658,470)	–	–
Under/(Over) provision in prior years				
- current tax	951,583	(450,449)	(146,766)	(149,062)
- deferred tax	(544,418)	(383,474)	–	–
Zakat	120,000	120,000	–	–
Income tax expense recognised in profit or loss and zakat	7,982,912	3,038,063	325,334	267,438

31. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding (net of treasury shares) during the financial year, calculated as follows:

	2024	2023
Profit for the financial year attributable to owners/ ordinary shareholders of the Company (RM)	19,480,951	2,176,095
Weighted average number of ordinary shares for basic earnings per share (unit)	323,824,604	317,486,495
Basic earnings per ordinary share (sen)	6.02	0.69

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. EARNINGS PER SHARE (CONT'D)

Diluted earnings per ordinary share

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

	2024	2023
Profit for the financial year attributable to owners/ ordinary shareholders of the Company (RM)	19,480,951	2,176,095
Weighted average number of ordinary shares for basic earnings per share (unit)	323,824,604	317,486,495
Effect of dilution from:		
- Share options	4,233,001	1,383,329
- Warrants	*	#
Weighted average number of ordinary shares for diluted earnings per share (unit)	328,057,605	318,869,824
Diluted earnings per ordinary share (sen)	5.94	0.68

* The warrants are lapsed and have no dilutive effect on the earnings per share.

The unexercised warrants have no dilutive effect on the earnings per share given the warrants' exercise price is higher than the market price per ordinary share.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements.

32. DIVIDENDS

	Group/Company	
	2024 RM	2023 RM
Dividend in respect of the financial year ended 30 June 2022		
Final single-tier dividend of 1.5 sen per ordinary share	–	4,767,673
Dividend in respect of the financial year ended 30 June 2023		
Interim single-tier dividend of 0.5 sen per ordinary share	–	1,590,140
Dividend in respect of the financial year ended 30 June 2024		
Interim single-tier dividend of 0.5 sen per ordinary share	1,650,536	–
	1,650,536	6,357,813

At the forthcoming Annual General Meeting, a single-tier final dividend of 0.5 sen per ordinary share, in respect of the financial year ended 30 June 2024, will be proposed for the shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Amortised cost
- (ii) Fair value through profit or loss

	Carrying amount RM	Amortised cost RM	Fair value through profit or loss RM
2024			
Financial assets			
Group			
Trade and other receivables *	129,046,006	129,046,006	–
Short-term investments	6,768,728	–	6,768,728
Cash and short-term deposits	119,237,730	119,237,730	–
	255,052,464	248,283,736	6,768,728
Company			
Trade and other receivables *	5,197,149	5,197,149	–
Amount due from subsidiaries	2,669,471	2,669,471	–
Cash and short-term deposits	6,984,289	6,984,289	–
	14,850,909	14,850,909	–
Financial liabilities			
Group			
Loans and borrowings @	103,304,892	103,304,892	–
Trade and other payables ^	85,181,397	85,181,397	–
Amount due to directors	37,508	37,508	–
	188,523,797	188,523,797	–
Company			
Loans and borrowings	89,819,444	89,819,444	–
Trade and other payables	725,688	725,688	–
Amount due to subsidiaries	5,794,728	5,794,728	–
	96,339,860	96,339,860	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

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

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

	Carrying amount RM	Amortised cost RM	Fair value through profit or loss RM
2023			
Financial assets			
Group			
Trade and other receivables *	142,252,803	142,252,803	–
Amount due from an associate	183,669	183,669	–
Short-term investments	7,827,542	–	7,827,542
Cash and short-term deposits	119,474,029	119,474,029	–
	269,738,043	261,910,501	7,827,542
Company			
Trade and other receivables *	116,004	116,004	–
Amount due from subsidiaries	6,110,643	6,110,643	–
Short-term investments	362,500	–	362,500
Cash and short-term deposits	1,500,105	1,500,105	–
	8,089,252	7,726,752	362,500
Financial liabilities			
Group			
Loans and borrowings @	21,638,330	21,638,330	–
Trade and other payables #	86,032,793	86,032,793	–
Amount due to directors	10,564	10,564	–
	107,681,687	107,681,687	–
Company			
Loans and borrowings	5,000,000	5,000,000	–
Trade and other payables	707,594	707,594	–
Amount due to subsidiaries	370,191	370,191	–
	6,077,785	6,077,785	–

* Excluding SST refundable, advances to suppliers and prepayments

@ Excluding lease liabilities

^ Excluding GST and SST payable

Excluding GST and SST payable and provision for retirement benefit obligation

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company may use derivative financial instruments, such as, forward foreign exchange contracts to hedge certain exposures. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit and risk management committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures, and acceptability of specific classes of collateral or credit risk mitigation.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position, without taking account of any collateral held or other credit enhancements.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements, except for a trade receivable of RM1,344,114 in previous financial year arose from sale of equipment which the Group withheld the legal title until full settlement of the outstanding balance. The equipment was sold during the financial year to recover the debt.

In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses ageing analysis to monitor the credit quality of trade receivables. In managing credit risks of trade receivables, the Group also takes appropriate actions (including but not limited to legal actions) to recover long past due balances.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables and contract assets by major segments on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows:

Trade receivables:

	2024 RM	%	2023 RM	%
Group				
Facilities	49,474,501	40%	50,622,406	37%
Engineering	28,487,199	23%	32,559,755	24%
Environment	32,282,521	26%	36,686,955	26%
Rail	13,937,028	11%	18,389,438	13%
	124,181,249	100%	138,258,554	100%

Contract assets:

	2024 RM	%	2023 RM	%
Group				
Facilities	20,831,367	41%	22,816,859	50%
Engineering	9,466,855	19%	5,599,227	12%
Environment	19,732,211	39%	17,636,555	38%
Rail	1,078,518	1%	–	0%
	51,108,951	100%	46,052,641	100%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss ("ECL") allowance for all trade receivables and contract assets. The determination of ECL also incorporates economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

For the Group, as there are only a few customers, the Group assesses the risk of each customer individually based on their financial capability, past trend of payments and other external information relating to the customers that are publicly available.

The information about the credit risk exposure on the Group's trade receivables and contract assets as at 30 June 2024 and 30 June 2023 are as follows:

	Gross carrying amount RM	ECL allowance RM	Net balance RM
Group			
At 30 June 2024			
Trade receivables			
Current (not past due)	49,274,963	–	49,274,963
1 to 90 days past due	30,711,508	–	30,711,508
91 to 180 days past due	12,528,330	–	12,528,330
181 to 365 days past due	6,783,326	–	6,783,326
More than 365 days past due	2,330,037	–	2,330,037
Credit impaired:			
- Individually assessed	26,268,530	(26,268,530)	–
Retention sum			
Current (not past due)	22,553,085	–	22,553,085
Credit impaired:			
- Individually assessed	1,777,574	(1,777,574)	–
Contract assets			
Current (not past due)	51,108,951	–	51,108,951
Credit impaired:			
- Individually assessed	893,173	(893,173)	–
	204,229,477	(28,939,277)	175,290,200

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The information about the credit risk exposure on the Group's trade receivables and contract assets as at 30 June 2024 and 30 June 2023 are as follows (Cont'd):

	Gross carrying amount RM	ECL allowance RM	Net balance RM
Group (Cont'd)			
At 30 June 2023			
Trade receivables			
Current (not past due)	56,129,971	–	56,129,971
1 to 90 days past due	36,351,866	–	36,351,866
91 to 180 days past due	15,056,387	–	15,056,387
181 to 365 days past due	2,928,219	–	2,928,219
More than 365 days past due	3,650,266	–	3,650,266
Credit impaired:			
- Individually assessed	29,175,635	(29,175,635)	–
Retention sum			
Current (not past due)	24,141,845	–	24,141,845
Credit impaired:			
- Individually assessed	1,106,135	(1,106,135)	–
Contract assets			
Current (not past due)	46,052,641	–	46,052,641
Credit impaired:			
- Individually assessed	4,126,600	(4,126,600)	–
	218,719,565	(34,408,370)	184,311,195

Other receivables and other financial assets

For other receivables and other financial assets (including short-term investments, cash and short-term deposits, amount due from subsidiaries and amount due from an associate), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Other receivables and other financial assets (Cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

The Company provides advances to subsidiaries. The Company regularly monitors the financial performance and position of its subsidiaries on an individual basis. When these subsidiaries' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these subsidiaries are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

Deposits with licensed banks, bank balances and other investments are placed with reputable financial institutions with high quality external credit ratings.

Other than credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk. As at the reporting date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets, which if any, is negligible, other than those as disclosed in Note 14 to the financial statements.

Financial guarantees

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM28,377,563 (2023: RM19,514,091) representing the maximum amount the Company could pay if the guarantees are called on as disclosed in Note 33(b)(ii) to the financial statements. As at the reporting date, there was no loss allowance for ECL as determined by the Company for the financial guarantees.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantees are provided as credit enhancements to the subsidiaries' secured borrowings.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, lease liabilities and loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group and the Company also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis

The maturity analysis of the Group's and of the Company's financial liabilities by their relevant maturities at the reporting date are based on contractual undiscounted repayment obligations as follows:

	Carrying amount RM	Contractual cash flows			Total RM
		On demand or within one year RM	Between one to five years RM	More than five years RM	
Group					
2024					
Trade and other payables	85,181,397	82,939,993	2,241,404	–	85,181,397
Term loans	72,819,444	16,013,147	57,627,347	9,486,104	83,126,598
Revolving credits	18,000,000	18,000,000	–	–	18,000,000
Trade loan	10,377,563	10,377,563	–	–	10,377,563
Amount due to directors	37,508	37,508	–	–	37,508
Lease liabilities	3,630,660	2,803,580	970,735	–	3,774,315
Hire purchase payables	2,107,885	743,481	1,583,422	–	2,326,903
	192,154,457	130,915,272	62,422,908	9,486,104	202,824,284
2023					
Trade and other payables	86,032,793	84,079,046	1,953,747	–	86,032,793
Revolving credits	14,400,000	14,400,000	–	–	14,400,000
Trade loan	2,495,093	2,495,093	–	–	2,495,093
Bank overdrafts	2,618,998	2,618,998	–	–	2,618,998
Amount due to directors	10,564	10,564	–	–	10,564
Lease liabilities	3,358,478	2,151,707	1,360,022	–	3,511,729
Hire purchase payables	2,124,239	672,966	1,661,724	–	2,334,690
	111,040,165	106,428,374	4,975,493	–	111,403,867

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The maturity analysis of the Group's and of the Company's financial liabilities by their relevant maturities at the reporting date are based on contractual undiscounted repayment obligations as follows (Cont'd):

	Carrying amount RM	Contractual cash flows			Total RM
		On demand or within one year RM	Between one to five years RM	More than five years RM	
Company					
2024					
Trade and other payables	725,688	725,688	–	–	725,688
Amount due to subsidiaries	5,794,728	5,794,728	–	–	5,794,728
Term loans	72,819,444	16,013,147	57,627,347	9,486,104	83,126,598
Revolving credits	17,000,000	17,000,000	–	–	17,000,000
Financial guarantee contracts	–	28,377,563	–	–	28,377,563
	96,339,860	67,911,126	57,627,347	9,486,104	135,024,577
2023					
Trade and other payables	707,594	707,594	–	–	707,594
Amount due to subsidiaries	370,191	370,191	–	–	370,191
Revolving credits	5,000,000	5,000,000	–	–	5,000,000
Financial guarantee contracts	–	19,514,091	–	–	19,514,091
	6,077,785	25,591,876	–	–	25,591,876

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales and purchases are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

Management has set up a policy that requires all companies within the Group and the Company to manage their treasury activities and exposures. In addition, the Group and the Company also take advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current accounts in foreign currencies.

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

The Group's unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

	Singapore Dollar ("SGD") RM	United States Dollar ("USD") RM	Emirati Dirham ("AED") RM	Chinese Yuan Renminbi ("CNY") RM	Australian Dollar ("AUD") RM	Euro ("EURO") RM	Malaysian Ringgit ("MYR") RM	Saudi Arabian Riyal ("SAR") RM	Indonesian Rupiah ("IDR") RM	Total RM
Group										
2024										
Financial assets										
Trade and other receivables	25,912,498	-	8,147,427	-	-	1,979,710	93,006,313	-	58	129,046,006
Short-term investments	-	-	-	-	-	-	6,768,728	-	-	6,768,728
Cash and short-term deposits	19,877,815	868,894	18,414,916	-	-	-	79,924,960	20,444	130,701	119,237,730
	45,790,313	868,894	26,562,343	-	-	1,979,710	179,700,001	20,444	130,759	255,052,464
Financial liabilities										
Trade and other payables	7,406,679	710,595	2,464,185	100,166	116,212	8,523,529	65,792,410	61,818	5,803	85,181,397
Term loan	-	-	-	-	-	-	72,819,444	-	-	72,819,444
Revolving credits	-	-	-	-	-	-	18,000,000	-	-	18,000,000
Trade loan	-	-	-	-	-	6,149,126	4,228,437	-	-	10,377,563
Amount due to directors	-	-	-	-	-	-	37,508	-	-	37,508
Hire purchase payables	842,088	-	-	-	-	-	1,265,797	-	-	2,107,885
	8,248,767	710,595	2,464,185	100,166	116,212	14,672,655	162,143,596	61,818	5,803	188,523,797

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

The Group's unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows (Cont'd):

	Singapore Dollar ("SGD") RM	United States Dollar ("USD") RM	Emirati Dirham ("AED") RM	Chinese Yuan Renminbi ("CNY") RM	Australian Dollar ("AUD") RM	Euro ("EURO") RM	Malaysian Ringgit ("MYR") RM	Saudi Arabian Riyal ("SAR") RM	Indonesian Rupiah ("IDR") RM	Total RM
Group (cont'd)										
2024										
Net financial assets/ (liabilities)	37,541,546	158,299	24,098,158	(100,166)	(116,212)	(12,692,945)	17,556,405	(41,374)	124,956	66,528,667
Less: Net financial assets denominated in the entity's functional currency	(37,541,546)	-	(24,098,158)	-	-	-	(17,556,405)	41,374	(124,956)	(79,279,691)
Currency exposure	-	158,299	-	(100,166)	(116,212)	(12,692,945)	-	-	-	(12,751,024)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

The Group's unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows (Cont'd):

Group 2023	SGD RM	USD RM	AED RM	CNY RM	AUD RM	EURO RM	MYR RM	Total RM
Financial assets								
Trade and other receivables	27,845,554	-	12,475,609	-	77,416	3,193,292	98,660,932	142,252,803
Amount due from an associate	-	-	-	-	-	-	183,669	183,669
Short-term investments	-	-	-	-	-	-	7,827,542	7,827,542
Cash and short-term deposits	9,959,575	302,471	10,704,625	-	-	-	98,507,358	119,474,029
	37,805,129	302,471	23,180,234	-	77,416	3,193,292	205,179,501	269,738,043
Financial liabilities								
Trade and other payables	9,279,956	41,133	2,071,486	56,913	435,580	5,695,024	68,452,701	86,032,793
Revolving credits	-	-	-	-	-	-	14,400,000	14,400,000
Trade loan	756,394	143,156	-	-	-	1,008,208	587,335	2,495,093
Bank overdrafts	2,618,998	-	-	-	-	-	-	2,618,998
Amount due to directors	-	-	-	-	-	-	10,564	10,564
Hire purchase payables	581,392	-	-	-	-	-	1,542,847	2,124,239
	13,236,740	184,289	2,071,486	56,913	435,580	6,703,232	84,993,447	107,681,687

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

The Group's unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows (Cont'd):

Group (Cont'd) 2023	SGD RM	USD RM	AED RM	CNY RM	AUD RM	EURO RM	MYR RM	Total RM
Net financial assets/ (liabilities)	24,568,389	118,182	21,108,748	(56,913)	(358,164)	(3,509,940)	120,186,054	162,056,356
Less: Net financial assets denominated in the entity's functional currency	(24,568,389)	-	(21,108,748)	-	-	-	(120,186,054)	(165,863,191)
Currency exposure	-	118,182	-	(56,913)	(358,164)	(3,509,940)	-	(3,806,835)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to USD, CNY, AUD and EURO.

The following table demonstrates the sensitivity to a reasonably possible change in the USD, CNY, AUD and EURO, with all other variables held constant on the Group's total equity and profit for the financial year.

	Change in rate %	Effect on profit for the financial year RM	Effect on equity RM
2024			
- USD	+5%	6,015	6,015
	-5%	(6,015)	(6,015)
- CNY	+5%	(3,806)	(3,806)
	-5%	3,806	3,806
- AUD	+5%	(4,416)	(4,416)
	-5%	4,416	4,416
- EURO	+5%	(482,332)	(482,332)
	-5%	482,332	482,332
2023			
- USD	+5%	4,491	4,491
	-5%	(4,491)	(4,491)
- CNY	+5%	(2,163)	(2,163)
	-5%	2,163	2,163
- AUD	+5%	(13,610)	(13,610)
	-5%	13,610	13,610
- EURO	+5%	(133,378)	(133,378)
	-5%	133,378	133,378

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings (excluding lease liabilities) with floating interest rates.

The Group and the Company's loans and borrowings (excluding lease liabilities) with floating interest rates amounting to RM101,197,007 (2023: RM19,514,091) and RM89,819,444 (2023: RM5,000,000) respectively.

The Group and the Company actively review their debt portfolio, taking into account the investment holding period and nature of their assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

If the interest rate had been 50 (2023: 50) basis points higher/lower and all other variables held constant, the Group's and the Company's profit for the year and equity would decrease/increase by RM384,549 (2023: RM82,226) and RM341,314 (2023: RM25,000) respectively as a result of exposure to floating rate loans and borrowings.

(c) Fair value measurement

The carrying amounts of cash and short-term deposits, short-term receivables and payables and short-term borrowings are reasonable approximation of their fair values due to the relatively short-term nature of these financial instruments.

The fair value of short-term investments is determined by reference to the redemption price at the reporting date.

The carrying amount of long-term floating rate loans are reasonable approximation of fair value as the loans will be re-priced to market interest rate on or near reporting date.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between Level 1 and Level 2 during the financial year (2023: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement (Cont'd)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

	Carrying amount RM	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	
Group								
2024								
Financial asset								
Short-term investments	6,768,728	6,768,728	-	-	-	-	-	-
Financial liability								
Hire purchase payables	2,107,885	-	-	-	-	-	2,104,166	2,104,166
2023								
Financial asset								
Short-term investments	7,827,542	7,827,542	-	-	-	-	-	-
Financial liability								
Hire purchase payables	2,124,239	-	-	-	-	-	2,106,179	2,106,179
Company								
2023								
Financial asset								
Short-term investments	362,500	362,500	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. CONTINGENT LIABILITIES

	2024 RM	Group 2023 RM
Contract performance guarantee given to third party	11,129,539	9,505,015
Labour guarantee given to employees	143,360	142,240
	11,272,899	9,647,255

35. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries;
- (ii) Associate; and
- (iii) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions and balances

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

	2024 RM	Company 2023 RM
Dividends income		
Subsidiaries	(30,000,000)	(4,560,000)
Management fee income		
Subsidiaries	(1,920,000)	(1,920,000)
Interest income		
Subsidiaries	(137,022)	(180,911)
Interest expense		
Subsidiaries	109,399	209,752
Rental expenses		
Subsidiaries	18,000	18,000
ESOS charge		
Subsidiaries	143,190	–

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 11, 16 and 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. RELATED PARTIES (CONT'D)

(c) Compensation of key management personnel

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' fees	395,000	402,800	295,000	290,000
Short-term employee benefits	9,280,853	10,134,776	19,000	10,000
Post-employment employee benefits	1,217,016	2,243,443	—	—
Benefits-in-kind	183,263	210,549	7,200	7,200
	11,076,132	12,991,568	321,200	307,200

Directors' interest in Employees' Share Option Scheme

At the reporting date, the total number of outstanding share options granted by the Company to certain directors under the ESOS plan amounted to 1,663,000 (2023: 1,300,000).

36. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain healthy capital ratio in order to support their business and maximise shareholders value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust their capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 30 June 2024 and 30 June 2023.

The Group and the Company monitor capital using a gearing ratio. The gearing ratio is calculated as total loans and borrowings divided by total equity.

The gearing ratio for the Group and for the Company as at 30 June 2024 and 30 June 2023 are as follows:

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Total loans and borrowings	22	106,935,552	24,996,808	89,819,444	5,000,000
Total equity		211,636,268	296,640,348	149,913,609	111,614,843
Gearing ratio		51%	8%	60%	4%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group Chief Executive Officer/President for the purpose of making decisions about resource allocation and performance assessment.

The five reportable operating segments are as follows:

Segments	Products and services
Investment holding	Provide group-level corporate services.
Facilities	Provision of an integrated range of maintenance services for office, commercial, industrial, residential and administrative buildings. These services include electrical, mechanical, civil, structural, energy and utility management and maintenance, vertical transport management, security and safety management and central monitoring systems, landscaping and ground care.
Engineering	Provision of various mechanical and electrical engineering services for the building industry. These include computerised Building Automation Systems (BAS), trading and installation of Heating, Ventilation and Air-Conditioning Systems (HVAC), integrated installation of electrical systems, energy saving and lift systems, trading of specialised water tanks and rainwater harvesting products, and installation of plumbing systems into building and facilities.
Environment	Provision of environmentally-friendly solutions to waste collection system management. These include general trading, design, development, installation and commissioning of cleaning equipment, central vacuum systems and STREAM Automated Pneumatic Waste Collection System.
Rail	Provision of railway infrastructure works. These include trading and rail welding works, ranging from the supplies of materials to the actual completion of rail works.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. SEGMENT INFORMATION (CONT'D)

	Investment holding RM	Facilities RM	Engineering RM	Environment RM	Rail RM	Others RM	Note	Adjustments and eliminations RM	Total RM
2024									
Revenue:									
External revenue	-	206,031,950	71,866,632	102,141,579	18,967,835	-	-	-	399,007,996
Inter-segment revenue	31,920,000	24,297,404	7,968,497	-	-	-	(a)	(64,185,901)	-
	31,920,000	230,329,354	79,835,129	102,141,579	18,967,835	-	-	(64,185,901)	399,007,996
Results:									
Results before the following adjustments	35,840,006	4,413,201	7,498,321	24,987,633	3,757,181	(29,891)	(b)	(40,941,820)	35,524,631
Depreciation and amortisation	(13,826)	(2,408,720)	(1,240,468)	(1,782,728)	(357,952)	-	-	-	(5,803,694)
Net reversal/(allowance) of impairment losses on:									
- contract assets	-	-	3,208,692	26,604	-	-	-	-	3,235,296
- goodwill	(121,277)	-	-	-	-	-	-	-	(121,277)
- trade receivables	-	209,292	63,493	895,487	1,420,122	-	-	-	2,588,394
- other receivables	-	-	-	2,724	-	-	-	-	2,724
- retention sum	-	-	31,917	(696,496)	-	-	-	-	(664,579)
- property, plant and equipment	-	-	(10,587)	-	(13,333)	-	-	-	(23,920)
Other non-cash items	-	(9,534)	(1,011,085)	(229,464)	(459,931)	-	(e)	71	(1,709,943)
Segment results	35,704,903	2,204,239	8,540,283	23,203,760	4,346,087	(29,891)	-	(40,941,749)	33,027,632
Net finance (costs)/income	(2,703,978)	759,725	(580,613)	1,672,688	133,913	-	-	-	(718,265)
Income tax expense and zakat	(325,334)	(2,287,421)	(1,183,699)	(2,850,529)	(1,335,929)	-	-	-	(7,982,912)
Profit for the financial year									24,326,455

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

37. SEGMENT INFORMATION (CONT'D)

	Investment holding RM	Facilities RM	Engineering RM	Environment RM	Rail RM	Others RM	Note	Adjustments and eliminations RM	Total RM
2024									
Assets									
Segment assets	248,001,066	131,140,099	69,441,681	138,865,124	56,549,579	10,011	(c)	(219,514,502)	424,493,058
Current tax assets	39,645	7,743,708	1,267,533	2,579,372	592,833	-		-	12,223,091
Deferred tax assets	-	2,217,395	1,138,257	1,278,146	296,390	-		-	4,930,188
Total assets	248,040,711	141,101,202	71,847,471	142,722,642	57,438,802	10,011		(219,514,502)	441,646,337
Liabilities									
Segment liabilities	98,339,891	63,450,711	35,995,161	25,361,750	24,735,671	610,970	(d)	(20,890,152)	227,604,002
Current tax liabilities	-	-	330,387	2,056,551	-	-		-	2,386,938
Deferred tax liabilities	-	-	-	-	19,129	-		-	19,129
Total liabilities	98,339,891	63,450,711	36,325,548	27,418,301	24,754,800	610,970		(20,890,152)	230,010,069
Other segment items									
Additions to non-current assets other than financial instruments									
- property, plant and equipment	-	1,339,824	804,824	1,880,998	523,159	-		-	4,548,805
- right-of-use assets	-	1,224,133	71,137	1,787,197	24,320	-		-	3,106,787

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

37. SEGMENT INFORMATION (CONT'D)

	Investment holding RM	Facilities RM	Engineering RM	Environment RM	Rail RM	Others RM	Note	Adjustments and eliminations RM	Total RM
2023 (Cont'd)									
Assets									
Segment assets	117,919,083	183,930,713	73,978,171	146,962,655	36,079,155	10,061	(c)	(132,280,836)	426,599,002
Current tax assets	-	8,466,900	487,466	1,498,889	53,323	-		-	10,506,578
Deferred tax assets	-	2,014,736	1,353,536	1,359,064	1,669,994	-		-	6,397,330
Total assets	117,919,083	194,412,349	75,819,173	149,820,608	37,802,472	10,061		(132,280,836)	443,502,910
Liabilities									
Segment liabilities	6,449,335	118,172,057	46,874,913	25,467,249	8,219,828	581,129	(d)	(60,830,286)	144,934,225
Current tax liabilities	46,480	-	417,375	1,435,102	-	-		-	1,898,957
Deferred tax liabilities	-	-	-	-	29,380	-		-	29,380
Total liabilities	6,495,815	118,172,057	47,292,288	26,902,351	8,249,208	581,129		(60,830,286)	146,862,562
Other segment items									
Additions to non-current assets other than financial instruments									
- property, plant and equipment	11,516	3,124,831	216,219	1,103,329	9,270	-		-	4,465,165
- right-of-use assets	-	1,528,857	963,637	1,075,558	109,078	-		-	3,677,130

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- (a) Inter-segment revenue are eliminated on consolidation;
- (b) Inter-segment transactions are eliminated on consolidation;
- (c) Inter-segment assets are eliminated on consolidation;
- (d) Inter-segment liabilities are eliminated on consolidation; and
- (e) Other non-cash items, other than depreciation and amortisation and net (allowance)/reversal of impairment losses on trade and other receivables, contract assets and goodwill consist of the following:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. SEGMENT INFORMATION (CONT'D)

	2024 RM	Group 2023 RM
Deposits written off	–	14,432
Fair value loss on investment properties	563,000	–
Gain on disposal of property, plant and equipment	(135,571)	(234,783)
Gain on termination of right-of-use assets	(4,824)	–
Inventories written down to net realisable value	194,885	658,601
Reversal of inventories written down	(52,388)	–
Inventories written off	32,385	127,875
Loss on winding up of a subsidiary	–	575,139
Property, plant and equipment written off	166,463	3,266
Provision for employee benefits	229,747	143,785
Unrealised loss/(gain) on foreign exchange	716,246	(874,551)
	1,709,943	413,764

Geographical information

Revenue and non-current assets (other than financial instruments and deferred tax assets) information based on the geographical location of customers are as follows:

	Revenue RM	Non-current assets RM
2024		
Malaysia	286,279,529	55,858,880
Singapore	85,866,767	4,290,380
United Arab Emirates	25,236,245	69,728
Indonesia	–	211,262
Australia	141,082	–
India	36,568	–
Qatar	973,016	–
Taiwan	474,789	–
	399,007,996	60,430,250
2023		
Malaysia	273,554,546	56,102,421
Singapore	84,837,305	3,290,453
United Arab Emirates	22,550,070	88,908
Australia	187,619	–
India	150,412	–
Taiwan	24,739	–
	381,304,691	59,481,782

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. SEGMENT INFORMATION (CONT'D)

Information about major customer

The major customer with revenue equal to or more than 10% of the Group revenue is as follows:

		2024 RM	Group 2023 RM
Customer A	Facilities	188,005,067	162,977,514
Customer A	Rail	10,148,861	8,480,276
		198,153,928	171,457,790

STATEMENT BY DIRECTORS

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

We, **DATO' NIK MOD AMIN BIN NIK ABD MAJID** and **DATO' AHMAD KABEER BIN MOHAMED NAGOOR**, being two of the directors of **AWC BERHAD** do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 102 to 187 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....
DATO' NIK MOD AMIN BIN NIK ABD MAJID
Director

.....
DATO' AHMAD KABEER BIN MOHAMED NAGOOR
Director

Subang Jaya

Date: 18 October 2024

STATUTORY DECLARATION

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

I, **VOON SIEW MOON**, being the officer primarily responsible for the financial management of **AWC BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 102 to 187 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
VOON SIEW MOON
Officer

Subscribed and solemnly declared by the abovenamed at Subang Jaya in Selangor Darul Ehsan on 18 October 2024.

Before me,

MUHAMMAD AKMAL BIN ABU BAKAR
(No. B 606)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AWC BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of AWC Berhad, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 102 to 187.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Group

Goodwill on business combination (Notes 4.1 and 8.1 to the financial statements)

The Group has significant goodwill on business combination amounting to RM31,439,577 arising from the acquisition of subsidiaries. Goodwill is tested for impairment annually. In performing the impairment assessment, the Group has identified environment, engineering and rail segments as the cash generating units to which the goodwill is allocated.

We focused on this area because the impairment assessment requires the exercise of significant judgement by the directors on the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections which include future sales and gross profit margin.

Our response:

Our audit procedures included, among others:

- comparing the actual results with previous budget to gather our understanding of the performance of the business;
- comparing the Group's assumptions to internal and external information, if any;
- testing the mathematical computation of the impairment assessment; and
- discussing with the Group on the sensitivity analysis around the key assumptions that are expected to be more sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

Trade receivables and contract assets (Notes 4.2, 14 and 15 to the financial statements)

As at 30 June 2024, trade receivables and contract assets of the Group amounted to RM124,181,249 and RM51,079,399 respectively. We focused on this area because the directors made significant judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the directors selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period.

Our response:

Our audit procedures included, among others:

- understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and testing the reliability of the reports;
- obtaining confirmation of balances from selected samples of receivables; and
- testing subsequent receipts after financial year end, customer correspondences and understanding level of activity with the customer, customer's financial capability and past trend of payments and management explanation on recoverability with significantly past due balances.

Revenue recognition for construction and engineering activities (Notes 4.3 and 26 to the financial statements)

The amount of revenue of the Group's construction and engineering activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction and engineering costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant directors' judgement is required, in particular with regards to the extent of the construction costs incurred, and the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures included, among others:

- reading the terms and conditions of agreements with customers;
- understanding the Group's process in preparing or updating project budget and the calculation of the progress towards complete satisfaction of the performance obligation;
- comparing the Group's major assumptions to contractual terms, our understanding gathered from the analysis of changes in the assumptions from previous financial year and discussing with project managers; and
- testing the mathematical computation of recognised revenue.

Company

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the company.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Responsibilities of the Directors for the Financial Statements

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

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

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 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.
- 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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.

Report on Other Legal and Regulatory Requirements

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

Other Matter

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Lee Kong Weng
No: 02967/07/2025 J
Chartered Accountant

Kuala Lumpur

Date: 18 October 2024

SUMMARY OF GROUP PROPERTIES

AS AT 30 JUNE 2024

No.	Owner	Location	Description	Existing use	Land area (Sq. ft.)	Built-up area (Sq. ft.)	Tenure	Approximate age of building	Audited net book value as at 30 June 2024 (RM)	Date of Acquisition/ Last Valuation
1.	Ambang Wira Sdn. Bhd. ("AWSB")	An intermediate shop lot and six intermediate office lots known as parcel Nos. S23A-1, Level 1, S23A-2, Level 2, S23A-3, Level 3, S23A-3A, Level 3A, S23A-5, Level 5, S23A-6, Level 6 and S23A-7, Level 7, respectively all in Block S23A in Subang Business Centre erected on part of the land held under Grant 54290, Lot 50530, Pekan Subang Jaya, District of Petaling, Selangor Darul Ehsan	Shop lot and office lots	Office	-	11,737	Freehold	28 years	5,040,000.00	22 June 2000/ 30 June 2024
2.	AWSB	An intermediate shop lot and six intermediate office lots known as parcel Nos. S25-1, Level 1, S25-2, Level 2, S25-3, Level 3, S25-3A, Level 3A, S25-5, Level 5, S25-6, Level 6 and S25-7, Level 7, respectively all in Block S25 in Subang Business Centre erected on part of the land held under Grant 54290, Lot 50530, Pekan Subang Jaya, District of Petaling, Selangor Darul Ehsan	Shop lot and office lots	Office	-	11,737	Freehold	28 years	5,040,000.00	29 November 2002/ 30 June 2024
3.	Qudotech Sdn. Bhd. ("Qudotech")	Unit No 2.016, Floor No. 2, Rhythm Avenue, USJ 19, HS (D) 108337, PT No. 3462, Mukim of Damansara, District of Petaling, State of Selangor	Shop Lot	Vacant	-	207	Freehold	24 years	78,000.00	31 October 2000/ 30 June 2024
4.	Qudotech	Unit No 2.017, Floor No. 2, Rhythm Avenue, USJ 19, HS (D) 108337, PT No. 3462, Mukim of Damansara, District of Petaling, State of Selangor	Shop Lot	Vacant	-	196	Freehold	24 years	74,000.00	31 October 2000/ 30 June 2024

SUMMARY OF GROUP PROPERTIES (CONT'D)

No.	Owner	Location	Description	Existing use	Land area (Sq. ft.)	Built-up area (Sq. ft.)	Tenure	Approximate age of building	Audited net book value as at 30 June 2024 (RM)	Date of Acquisition/ Last Valuation
5.	Stream Environment Sdn. Bhd. ("SESB")	No. 11, Jalan Sg Besi Indah 5/2, Taman Sg Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan	Shop Lot	Office	1,905	7,464	99 year leasehold interest expiring on 28 July 2108	15 years	1,351,849.00 (Exclude ROU)	13 February 2017/ 15 July 2016
6.	SESB	C-09-03, Jalan PBS 14/2, Taman Bukit Serdang, Seksyen 13, 43300 Seri Kembangan, Selangor Darul Ehsan	Condo	Vacant	-	1,000	Freehold	5 years	500,000.00	06 January 2020/ 30 June 2024
7.	SESB	C-18-02, Jalan PBS 14/2, Taman Bukit Serdang, Seksyen 13, 43300 Seri Kembangan, Selangor Darul Ehsan	Condo	Vacant	-	1,000	Freehold	5 years	500,000.00	06 January 2020/ 30 June 2024
8.	Trackwork & Supplies Sdn. Bhd.	No. 31-5, Level 5, Dataran Prima Block F2, Jalan PJJ 1/42A, 47301 Petaling Jaya, Selangor Darul Ehsan	Office Lot	Office	-	1,926	Freehold	17 years	600,000.00	1 June 2016/ 30 June 2024
9.	M & C Engineering And Trading Sdn. Bhd. ("M & C")	Unit FUG-115, Level UG, Capital City Mall Shopping Centre, Jalan Tampoi, 81200 Johor Bahru, Johor Darul Takzim.	Shop Lot	Vacant	-	377	Freehold	6 years	170,000.00	14 January 2020/ 30 June 2024
10.	M & C	Unit FUG-162, Level UG, Capital City Mall Shopping Centre, Jalan Tampoi, 81200 Johor Bahru, Johor Darul Takzim.	Shop Lot	Vacant	-	312	Freehold	6 years	140,000.00	14 January 2020/ 30 June 2024
TOTAL									13,493,849	

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2024

Total number of Issued Shares	:	337,736,483 Ordinary Shares
Treasury Shares	:	4,628,700 treasury shares held by the Company
Class of Equity Securities	:	Ordinary Shares ("shares")
Voting Right	:	One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Shareholdings	No. of Holders	%	No of Shares #	%
Less than 100	1,668	29.21	116,069	0.03
100 – 1,000	1,400	24.52	705,262	0.21
1,001 – 10,000	1,772	31.03	9,014,436	2.71
10,001 – 100,000	694	12.15	22,698,067	6.81
100,001 – less than 5 % of the issued shares	174	3.05	195,521,591	58.70
5% and above of the issued shares	2	0.04	105,052,358	31.54
Total	5,710	100.00	333,107,783	100.00

Excluding a total of 4,628,700 shares bought back and retained as treasury shares.

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2024

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	No. of Ordinary Shares		%*
		%*	Indirect Interest	
K-Capital Sdn Bhd	84,300,000	25.31	–	–
Dato' Ahmad Kabeer bin Mohamed Nagoor	26,955,300	8.09	84,300,000 ^(a)	25.31

Note:

^(a) Deemed interested by virtue of Section 8(4) of the Companies Act 2016 held through in K-Capital Sdn Bhd.

DIRECTOR'S INTEREST AS AT 30 SEPTEMBER 2024

(As per the Register of Directors' Shareholdings)

Name of Director	Direct Interest	No. of Ordinary Shares		%*
		%*	Indirect Interest	
Dato' Ahmad Kabeer Bin Mohamed Nagoor	26,955,300	8.09	84,300,000 ^(a)	25.31
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati Binti Tunku Abdul Rahman Putra Al-Haj	300,000	0.09	–	–
Dato' Nik Mod Amin Bin Nik Abd Majid	400,000	0.12	–	–
Sureson A/L Krisnasamy	65,000	0.02	–	–
Datuk Hashim Bin Wahir	–	–	–	–

Notes:

^(a) Deemed interested by virtue of Section 8(4) of the Companies Act 2016 held through in K-Capital Sdn Bhd.

* All percentage shareholding computations are based on the total number of issued shares less treasury shares account (4,628,700 shares) arising from the share buy-back exercise.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

DIRECTOR'S INTEREST AS AT 30 SEPTEMBER 2024 (CONT'D)

Name of Directors	No. of Options granted under Employees' Share Option Scheme (ESOS)
Dato' Ahmad Kabeer bin Mohamed Nagoor	4,413,000
Dato' Nik Mod Amin bin Nik Abd Majid	500,000
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj	300,000
Sureson A/L Krisnasamy	300,000
Datuk Hashim bin Wahir	—

30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 SEPTEMBER 2024

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%*
1.	K-CAPITAL SDN. BHD.	84,297,058	25.31
2.	AHMAD KABEER BIN MOHAMED NAGOOR	20,755,300	6.23
3.	MASTRACK SDN BHD	14,525,392	4.36
4.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD - AS BENEFICIAL OWNER (PF)	13,000,000	3.90
5.	TRAKNIAGA SDN BHD	9,764,433	2.93
6.	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE	9,089,600	2.73
7.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	6,821,900	2.05
8.	AMANAH RAYA TRUSTEES BERHAD - PMB SHARIAH GROWTH FUND	6,000,000	1.80
9.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LIM ZEE PING	5,940,000	1.78
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - URUSHARTA JAMAAH SDN. BHD. (MAYBANK 2)	5,647,600	1.70
11.	UOBM NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR AHMAD KABEER BIN MOHAMED NAGOOR	5,200,000	1.56
12.	ZAINAB BINTI ABDUL RAHMAN	4,850,000	1.46
13.	TW QUEST SDN BHD	4,650,000	1.40
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - GREAT EASTERN TAKAFUL BERHAD (MEKAR)	3,391,100	1.02
15.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR WON WEI ZHANG (MY3382)	3,200,000	0.96

ANALYSIS OF SHAREHOLDINGS
(CONT'D)**30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 SEPTEMBER 2024 (CONT'D)**

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%*
16.	TAN YAU LAM	3,187,600	0.96
17.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD - KAF CORE INCOME FUND	3,063,800	0.92
18.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LIM SIM TONG	2,960,000	0.89
19.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - EXEMPT AN FOR MAYBANK ISLAMIC ASSET MANAGEMENT SDN BHD (OMNIBUS TRUST ACCOUNT FOR CLIENTS)	2,670,000	0.80
20.	CITIGROUP NOMINEES (ASING) SDN BHD - UBS AG	2,584,500	0.78
21.	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHENG CHEW GIAP	2,575,100	0.77
22.	HSBC NOMINEES (TEMPATAN) SDN BHD - HSBC (M) TRUSTEE BHD FOR MAYBANK MALAYSIA VALUE FUND	2,437,000	0.73
23.	SIM TZE YANG	2,322,000	0.70
24.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LIM PEI YIN (MF00167)	2,140,000	0.64
25.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DG)	2,016,400	0.61
26.	SHAUL HAMID BIN MADAR	1,878,100	0.56
27.	CHAN AI SIM	1,718,000	0.52
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR JONATHAN LAI JUN FEI	1,640,000	0.49
29.	KONG KEAT VOON	1,624,800	0.49
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR JONATHAN LAI JUN FEI (7013331)	1,590,000	0.48

* All percentage shareholding computations are based on the total number of issued shares less treasury shares account (4,628,700 shares) arising from the share buy-back exercise.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting ("23rd AGM" or "Meeting") of AWC BERHAD ("AWC" or "the Company") will be conducted on a fully virtual basis and entirely via remote participation and electronic voting facilities through live streaming from the Broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 10 December 2024 at 10:00 a.m. or at any adjournment thereof, to transact the following businesses:-

A G E N D A

As Ordinary Business:

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon. | PLEASE REFER TO
EXPLANATORY NOTE 1 |
| 2. | To approve the distribution of a Final Single-Tier dividend of 0.5 sen per ordinary share for the financial year ended 30 June 2024. | ORDINARY RESOLUTION 1 |
| 3. | To approve the payment of Directors' fees and benefits of up to RM396,000 for the period commencing from the date immediately after the 23 rd AGM until the next Annual General Meeting ("AGM") of the Company. | ORDINARY RESOLUTION 2 |
| 4. | To re-elect Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj who retires by rotation pursuant to Clause 85 of the Company's Constitution. | ORDINARY RESOLUTION 3 |
| 5. | To re-elect Datuk Hashim bin Wahir who retires pursuant to Clause 91 of the Company's Constitution. | ORDINARY RESOLUTION 4 |
| 6. | To re-appoint Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. | ORDINARY RESOLUTION 5 |

As Special Business:

To consider and if thought fit, pass with or without any modifications, the following resolutions:

- | | | |
|----|--|------------------------------|
| 7. | GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT") | ORDINARY RESOLUTION 6 |
| | <p>"THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any 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 to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("Mandate") AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.</p> | |

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT pursuant to Section 85 of the Act read together with the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company AND the Board of Directors is exempted from the obligation to offer such new Shares first to the existing shareholders of the Company in respect of the issuance and allotment of new Shares pursuant to the Mandate.

AND FURTHER THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares."

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a Final Single-Tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 June 2024, if approved by the shareholders at the 23rd AGM of the Company, will be paid on 30 December 2024 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 13 December 2024.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- i) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 13 December 2024 in respect of ordinary transfers; and
- ii) Shares bought on the Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC NO.: 201908001272)
LIM KEE SAN (MAICSA 7067348) (SSM PC NO.: 202308000295)
 Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
 30 October 2024

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

- i. A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting. Where a member appoints more than one (1) proxy, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- ii. A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- iii. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- iv. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- v. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- vi. To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting: -
 - (a) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.
 - (b) By electronic form
The proxy form can be electronically lodged via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form via TIIH Online.
- vii. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 2 December 2024. Only members whose name appears in the General Meeting Record of Depositors as at 2 December 2024 shall be entitled to attend the Meeting and to speak and vote thereat.
- viii. All the resolutions set out in this Notice of the Meeting will be put to vote by poll.
- ix. The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- x. Kindly check Bursa Securities' and the Company's website at www.awc.com.my for the latest updates on the status of the Meeting.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES TO ORDINARY/SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2024

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the members for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 3 of the Agenda – Directors' Fees and Benefits

The estimated Directors' fees and benefits are calculated based on the current Board size and the number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits for the period commencing from the date immediately after this 23rd AGM until the date of the next AGM to be held in the year 2025. In the event the proposed amount is insufficient due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

3. Items 4 and 5 of the Agenda – Re-election of Directors

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election provided always that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Clause 91 of the Company's Constitution provides that the Directors shall have power at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next AGM, and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors to retire by rotation at such meeting.

Following thereto, Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj will retire pursuant to Clause 85 of the Company's Constitution whereas Datuk Hashim bin Wahir will retire pursuant to Clause 91 of the Company's Constitution (collectively referred to as "the Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at the 23rd AGM.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profile of the Retiring Directors are provided in the Board of Directors' Profile of the Company's Annual Report 2024.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

4. Item 7 of the Agenda – General Authority for the Directors to issue and allot ordinary shares (“Shares”) pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 6 proposed under item 7 of the Agenda, is to seek a general mandate for issuance and allotment of Shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will empower the Directors to issue and allot Shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued Shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such new Shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of Shares for any possible fund raising activities, including but not limited to further placing of Shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Company had at its Twenty-Second AGM held on 28 November 2023 (“22nd AGM”), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot Shares in the Company to such persons, at any 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 to be issued does not exceed 10% of the total number of issued Shares of the Company (excluding treasury shares) at any point of time (“General Mandate”). This General Mandate will expire at the conclusion of the 23rd AGM.

As at the date of this Notice, no new Shares in the Company were issued and allotted pursuant to the General Mandate granted to the Directors at the 22nd AGM which will lapse at the conclusion of the 23rd AGM.

Pursuant to Section 85 of the Act shareholders have pre-emptive rights to be offered any new Shares in the Company which rank equally to the existing issued Shares in the Company. This Ordinary Resolution 6, if passed, will exclude the shareholders’ pre-emptive right to be offered new Shares to be issued by the Company.

ADMINISTRATIVE NOTES FOR THE TWENTY-THIRD ANNUAL GENERAL MEETING (“23RD AGM” OR “MEETING”) OF AWC BERHAD (“AWC” OR “THE COMPANY”)

Meeting Day, Date	:	Tuesday, 10 December 2024
Time	:	10:00 a.m. or at any adjournment thereof
Broadcast Venue	:	Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan

MODE OF MEETING

In line with the Government’s directive and the revised Guidance Note and Frequently Asked Questions (FAQs) on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022 (“SC Guidance”), the 23rd AGM of the Company will be conducted on a **fully virtual basis and via remote participation and voting facilities through live streaming from the Broadcast Venue**.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting and in accordance with Clause 61 of the Company’s Constitution. Shareholders or proxies or attorneys or authorised representatives **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the meeting.

REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the 23rd AGM using the RPV facilities provided by Tricor via its **TIIH Online** website at <https://tiih.online>.

A shareholder who has appointed a proxy or attorney or authorised representative to participate at this 23rd AGM via RPV facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

As the 23rd AGM will be held as a fully virtual meeting, shareholders who are unable to participate in this 23rd AGM via RPV facilities may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

PROCEDURES FOR THE RPV

Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) who wish to participate remotely in the 23rd AGM using the RPV facilities are advised to follow the requirements and procedures as indicated below:-

	Procedures	Actions
BEFORE THE 23RD AGM DAY		
(a)	Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online and register as a user under the “e-Services” select “Create Account by Individual Holders”. Kindly refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified of the status of registration via email. If you are already a user of TIIH Online, you are not required to register again. You will receive an e-mail to notify you that remote participation is available for registration at TIIH Online.

ADMINISTRATIVE NOTES FOR THE TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

	Procedures	Actions
BEFORE THE 23RD AGM DAY		
(b)	Submit your registration for RPV	<ul style="list-style-type: none"> Registration is open from Wednesday, 30 October 2024 until the day of the 23rd AGM on Tuesday, 10 December 2024. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 23rd AGM to ascertain their eligibility to participate in the 23rd AGM using the RPV. Login with your user ID i.e. email address and password and select the corporate event: "(REGISTRATION) AWC 23RD AGM". Read and agree to the Terms & Conditions and confirm the Declaration. Select "Register for Remote Participation and Voting". Review your registration and proceed to register. The system will send an e-mail to notify you that your registration for remote participation is received and will be verified. After verification of your registration against the General Meeting Record of Depositors dated 2 December 2024, the system will send you an e-mail after 8 December 2024 to approve or reject your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email. <p><i>(Note: Please ensure to allow the sufficient time required for the approval as a new user of TIIH Online as well as the registration for RPV in order for you to login to TIIH Online and to participate in the 23rd AGM remotely).</i></p>
ON THE DAY OF THE 23RD AGM (TUESDAY, 10 DECEMBER 2024)		
(c)	Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 23rd AGM at any time from 9.00 a.m. i.e. 1 hour before the commencement of the 23rd AGM on Tuesday, 10 December 2024 at 10:00 a.m.
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: "(LIVE STREAM MEETING) AWC 23RD AGM" to engage in the proceedings of the 23rd AGM remotely. If you have any questions for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavour to respond to questions submitted by the remote participant during the 23rd AGM. If there is a time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e)	Online Remote Voting	<ul style="list-style-type: none"> The voting session commences from 10:00 a.m. on Tuesday, 10 December 2024 until a time when the Chairman announces the end of the session. Select the corporate event: "(REMOTE VOTING) AWC 23RD AGM" or if you are on the live stream meeting page, you can select the "GO TO REMOTE VOTING PAGE" button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes
(f)	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the 23rd AGM, the live streaming will end.

ADMINISTRATIVE NOTES FOR THE TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

Note to users of the RPV Facilities

1. Should your registration for RPV be approved we will make available to you the rights to join the live-streamed meeting and to vote remotely. Your login to TIH Online on the day of the Meeting will indicate your presence at the virtual 23rd AGM.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging in, connection to the live-streamed meeting or online voting on the Meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

ENTITLEMENT TO PARTICIPATE/GENERAL MEETING RECORD OF DEPOSITORS ("ROD")

Only a depositor whose name appears on the ROD as at 2 December 2024 shall be entitled to attend, speak and vote at the 23rd AGM or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend and/or vote on his/her behalf.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate via RPV at the 23rd AGM must ensure that the duly executed proxy forms are deposited in a hard copy form to Tricor no later than Sunday, 8 December 2024 at 10:00 a.m.

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:-

(i) In hard copy form

By hand or post to the Share Registrar of the Company at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the 23rd AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 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, Malaysia no later than Sunday, 8 December 2024 at 10:00 a.m. to participate via RPV in the 23rd AGM. A copy of the power of attorney may be accepted provided that it is certified by a notary and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

For a corporate member who has appointed a representative, please deposit the ORIGINAL/DULY CERTIFIED certificate of appointment with the Share Registrar of the Company at 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, Malaysia not later than Sunday, 8 December 2024 at 10:00 a.m. to participate via RPV in the 23rd AGM. The certificate of appointment should be executed in the following manner:-

- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

ADMINISTRATIVE NOTES FOR THE TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

(ii) By electronic form

All members can have the option to submit the Proxy Form electronically via Tricor's TIIH Online and the steps to submit are summarised below:

	Procedure	Action
i. Steps for Individual Members		
(a)	Register as a User with Tricor's TIIH Online website	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user of TIIH Online, you are not required to register again.
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: "AWC 23RD AGM – Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(s) appointment. Print Form of Proxy for your record.
ii. Steps for Corporation or Institutional Members		
(a)	Register as an User With Tricor's TIIH Online website	<ul style="list-style-type: none"> Access TIIH online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporation or institutional member selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and reset your own password. <p><i>(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>
(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to Tricor's TIIH Online website at https://tiih.online. Select the corporate event: "AWC 23RD AGM – Submission of Proxy Form". Read and agree to the Terms & Conditions and confirm the Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Submit the proxy appointment file. Login to TIIH Online, select corporate exercise name: "AWC 23rd AGM – Submission of Proxy Form". Proceed to upload the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE NOTES FOR THE TWENTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

POLL VOTING

The voting at the 23rd AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

Shareholders or proxy(ies) or corporate representative(s) or attorney(s) can proceed to vote on the resolutions at any time **from 10:00 a.m. on Tuesday, 10 December 2024** but before the end of the voting session which will be announced by the Chairman of the Meeting. Kindly refer to item (e) of the above Procedures for RPV facilities for guidance on how to vote remotely from TIIH Online website at <https://tiih.online>.

Upon completion of the voting session for the 23rd AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration of whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

Shareholders may submit questions to the Board in advance of the 23rd AGM via Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than - **Sunday, 8 December 2024 at 10:00 a.m.** The Board will endeavor to answer the questions received at the 23rd AGM.

NO RECORDING OR PHOTOGRAPHY

By participating at the 23rd AGM, you agree that no part of the 23rd AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronic, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the right to take appropriate legal actions against anyone who violates this rule.

ENQUIRY

If you have any enquiries on the above, please 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.

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact persons	:	Hifzul Azad +603-27839284 (Mohamad.Hifzul@my.tricorglobal.com)
	:	Nazrul Darwin +603-27839246 (Nazrul.Darwin@my.tricorglobal.com)
	:	Siti Zalina +603-27839247 (Siti.Zalina@my.tricorglobal.com)

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PROXY FORM

No. of shares held	
CDS Account No.	

I/We * _____ NRIC/Passport/Registration No.* _____
(full name in capital letters)

of _____
(full address)

with email address _____ mobile phone no. _____

being a member/members* of **AWC BERHAD** ("the Company") hereby appoint(s):-

Full Name (in capital letters)	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address (in capital letters)			
Contact No.:			
Email Address:			

and *

Full Name (in capital letters)	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address (in capital letters)			
Contact No.:			
Email Address:			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Twenty-Third Annual General Meeting of the Company ("23rd AGM" or "Meeting") to be conducted on a fully virtual basis and entirely via remote participation and electronic voting facilities through live streaming from the Broadcast Venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 10 December 2024 at 10:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

Resolutions	Particulars	For	Against
Ordinary Resolution 1	To approve the distribution of a Final Single-Tier dividend of 0.5 sen per ordinary share for the financial year ended 30 June 2024.		
Ordinary Resolution 2	To approve the payment of Directors' fees and benefits of up to RM396,000 for the period commencing from the date immediately after the 23 rd AGM until the next AGM of the Company.		
Ordinary Resolution 3	To re-elect Tunku Puan Sri Dato' Hajjah Noor Hayati binti Tunku Abdul Rahman Putra Al-Haj as Director of the Company.		
Ordinary Resolution 4	To re-elect Datuk Hashim bin Wahir as Director of the Company.		
Ordinary Resolution 5	To re-appoint Baker Tilly Monterio Heng PLT as Auditors of the Company.		
Ordinary Resolution 6	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

* Delete whichever is not applicable

Dated this _____ day of _____ 2024

Signature/ Common Seal of Member(s)

NOTES:

- A member who is entitled to attend and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting. Where a member appoints more than one (1) proxy, the member shall specify the proportion of his shareholdings to be represented by each proxy.
- A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. each proxy is specified.



NOTES (CONTD):

- v. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- vi. To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting: -
- (a) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur.
- (b) By electronic form
The proxy form can be electronically lodged via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form via TIIH Online.
- vii. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 2 December 2024. Only members whose name appears in the General Meeting Record of Depositors as at 2 December 2024 shall be entitled to attend the Meeting and to speak and vote thereat.
- viii. All the resolutions set out in this Notice of the Meeting will be put to vote by poll.
- ix. The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- x. Kindly check Bursa Securities' website and the Company's website at www.awc.com.my for the latest updates on the status of the Meeting.

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AFFIX
STAMP

The Share Registrar of
AWC BERHAD
200101014341 (550098-A)
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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Fold This Flap For Sealing



AWC BERHAD

200101014341 (550098-A)

20-2, Subang Business Centre
Jalan USJ 9/5T, 47620 UEP Subang Jaya
Selangor Darul Ehsan, Malaysia

Tel No : +6 03 8024 4505/04/03

Fax No : +6 03 8025 9343

www.awc.com.my