

Registration No:
199401016997 (302675-A)

ROHAS TECNIC BERHAD (199401016997 (302675-A))
(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2024

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

<u>CONTENTS</u>	<u>PAGE</u>
DIRECTORS' REPORT	1 - 8
STATEMENT BY DIRECTORS	9
STATUTORY DECLARATION	9
INDEPENDENT AUDITORS' REPORT	10 - 18
STATEMENTS OF FINANCIAL POSITION	19 - 20
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	21 - 22
STATEMENTS OF CHANGES IN EQUITY	23 - 24
STATEMENTS OF CASH FLOWS	25 - 29
NOTES TO THE FINANCIAL STATEMENTS	30 - 97

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

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 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly designing and fabrication of steel structure for high tension transmission towers, microwave towers and substations structures and provision of other fabrication and installation works, provision of telecommunication system and infra network installation service, operation of a hot-dip galvanising plant, designing, supplying and construction of telecommunication infrastructure, contractor in the implementation of potable and water treatment projects, investment holding and provision of management services, contractor for installing electrical transmission lines and provision of other related services, designing, supplying, fabrication and installation of steel structures, construction activities and other general contract works and other related activities, contractor for water and wastewater treatment sectors and pipeline construction and other related activities, and development and operation of hydro power plant.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM	Company RM
Loss after tax for the financial year	<u>5,437,596</u>	<u>1,309,506</u>
Attributable to:		
Owners of the Company	5,070,248	1,309,506
Non-controlling interests	<u>367,348</u>	<u>-</u>
	<u>5,437,596</u>	<u>1,309,506</u>

DIVIDEND

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

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Tan Sri Nik Awang @ Wan Azmi Bin Wan Hamzah

Sia Bun Chun

Chee Suan Lye

Dr. Ir. Jeyanthi A/P Ramasamy

Shaharuddin Bin Zainuddin

Wan Afzal-Aris Bin Wan Azmi (Alternate Director to Tan Sri Nik Awang @ Wan Azmi Bin Wan Hamzah)

Kamarol Zaman Bin Radzak (Appointed on 9 April 2024)

Mohamed Tarmizi Bin Ismail (Resigned on 15 March 2024)

Subsidiaries of Rohas Tecnic Berhad (excluding those who are already the Directors of the Company)

Wong Mun Keong

Harianto Taruna

Rishabh Dev Khaitan

Aldwin Tay Swei Leeng

Wan Affan Azam Bin Wan Azmi

Marie Manumanua

Amirul Azhar Bin Baharom (Appointed on 15 March 2024)

Ahmad Latifi Bin Supian (Appointed on 23 January 2024)

Chew Wai Choy (Appointed on 30 January 2024)

Hoo Lian Jet (Appointed on 15 March 2024)

Low Yeow Joo (Appointed on 30 January 2024)

Nik Johan Ariff Bin Nik Isahak (Appointed on 23 January 2024)

Leong Wai Yuan (Resigned on 15 March 2024)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares in the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	----- Number of ordinary shares -----			
	Balance as at 1.1.2024	Bought	Sold	Balance as at 31.12.2024
Shares in the Company				
Direct interests:				
Tan Sri Nik Awang @ Wan Azmi Bin Wan Hamzah	140,394,741	10,000,000	-	150,394,741
Sia Bun Chun	30,364,009	-	-	30,364,009
Indirect interests:				
Tan Sri Nik Awang @ Wan Azmi Bin Wan Hamzah*	70,000,000	-	(10,000,000)	60,000,000
Sia Bun Chun*	39,772,968	-	-	39,772,968

(*) Indirect interests by virtue of shares held by spouse.

DIRECTORS' INTERESTS (continued)

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors) 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, other than the remuneration received or receivable by the Directors from certain related corporations in their capacities as Directors of those corporations.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Incurred by the subsidiaries RM	Incurred by the Company RM	Total RM
Directors' salaries and other emoluments	1,032,539	229,900	1,262,439
Defined contribution plan	57,741	-	57,741
Directors' fees	17,116	234,264	251,380
Total Directors' remuneration (excluding benefits-in-kind)	1,107,396	464,164	1,571,560
Benefits-in-kind	28,450	-	28,450
	<u>1,135,846</u>	<u>464,164</u>	<u>1,600,010</u>

INDEMNITY AND INSURANCE FOR OFFICERS, DIRECTORS AND AUDITORS

The amount of indemnity coverage and insurance premium paid for Directors and officers of the Group and of the Company during the financial year are amounted to RM10,000,000 and RM19,000 respectively.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts; and

**OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY
(continued)**

(I) AS AT THE END OF THE FINANCIAL YEAR (continued)

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps: (continued)
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 28 April 2025, RBC Water Sdn. Bhd. (“RBC”), a wholly owned subsidiary of the Group, entered into a conditional share sales agreement with Korea Water Resources Corporation (“Purchaser”) for the proposed disposal by RBC to the Purchaser of RBC’s entire 30% equity interest in Phu My Vinh Construction and Investment Corporation for a cash consideration of VND500.82 billion (“Disposal”).

The above Disposal has yet to be completed as at the report date.

SUBSIDIARIES

The details of the subsidiaries are as follows:

Name of companies	Principal place of business/ Country of incorporation	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Direct subsidiaries of the Company				
Rohas-Euco Industries Bhd. [“REI”]	Malaysia	100	100	Design and fabrication of steel structure for high tension transmission towers, microwave towers and substations structures and provision of other fabrication and installation works
RG Transmission Sdn. Bhd. [“RGT”]	Malaysia	100	-	Investment holding
Global Tower Corporation Pty. Ltd. [“GTC”]	Cambodia	75	75	Provision of telecommunication system and infra network installation service
Subsidiaries of REI				
Galvanising Engineering and Services Sdn. Bhd. [“GES”]	Malaysia	100	100	Operation of a hot-dip galvanising plant
RT Telecom Sdn. Bhd. [“RTT”]	Malaysia	100	100	Design, supply and construction of telecommunication infrastructure
RBC Water Sdn. Bhd. [“RBC”]	Malaysia	100	100	Contractor in the implementation of potable and water treatment projects
Hydro Haven Sdn. Bhd. [“HH”]	Malaysia	100	100	Investment holding

SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of companies	Principal place of business/ Country of incorporation	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Subsidiaries of REI (continued)				
REI International (HK) Ltd. [“REIHK”]	Hong Kong	100	100	Investment holding and provision of management services
Rohas Sediabena Builders Consortium Sdn. Bhd. [“RSBC”]	Malaysia	70	-	Design, supply, fabrication and installation of steel structures, construction activities and other general contract works and other related activities
REI OOE Consortium Sdn. Bhd. [“ROC”]	Malaysia	51	-	Contractor for water and wastewater treatment sectors and pipeline construction and other related activities
Subsidiary of RGT				
HG Power Transmission Sdn. Bhd. [“HGPT”]	Malaysia	87	87	Contractor for installing electrical transmission lines and provision of other related services
Subsidiary of REIHK				
PT REI Abadi Indonesia [“PTRAI”]	Republic of Indonesia	99	99	Investment holding and provision of management services
Held through HH				
PT REI Abadi Indonesia [“PTRAI”]	Republic of Indonesia	1	1	Investment holding and provision of management services
Subsidiary of PTRAI				
PT Century Abadi Perkasa [“PTCAP”]	Republic of Indonesia	55	55	Development and operation of hydro power plant

SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of companies	Principal place of business/ Country of incorporation	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Subsidiaries of HGPT				
HG Power Transmission (PNG) Ltd. [“PNG”]	Papua New Guinea	100	100	Contractor for installing electrical transmission lines and provision of other related services
IAC Electricals (M) Sdn. Bhd. [“IAC”]	Malaysia	-	100	Design and manufacture of hardware and accessories for overhead electrical transmission towers and fittings

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors’ remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Group RM	Company RM
Statutory audit	407,790	78,000
Other services	<u>4,000</u>	<u>4,000</u>
	<u>411,790</u>	<u>82,000</u>

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

.....
**Tan Sri Nik Awang @ Wan Azmi Bin Wan
Hamzah**
Director

.....
Sia Bun Chun
Director

Kuala Lumpur
29 April 2025

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 19 to 97 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions 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 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Tan Sri Nik Awang @ Wan Azmi Bin Wan Hamzah
Director

.....
Sia Bun Chun
Director

Kuala Lumpur
29 April 2025

STATUTORY DECLARATION

I, Ong Tiang Peng (CA 14838), being the officer primarily responsible for the financial management of Rohas Tecnic Berhad, do solemnly and sincerely declare that the financial statements set out on pages 19 to 97 are, to the best of my knowledge and belief, 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.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
29 April 2025)

Ong Tiang Peng

Before me:

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROHAS TECNIC BERHAD
(Incorporated in Malaysia)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rohas Tecnic Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 19 to 97.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). 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 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, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROHAS TECNIC BERHAD (continued)
(Incorporated in Malaysia)**

Key Audit Matters (continued)

Key Audit Matters of the Group

(a) Impairment assessment of the carrying amount of goodwill

The carrying amount of goodwill arising on consolidation as at 31 December 2024 amounted to RM13,216,398, as disclosed in Note 12 to the financial statements.

We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the cash generating units ('CGU') in determining the recoverable amount. These key assumptions include projected growth in future revenues and profit margins, as well as determining appropriate pre-tax discount rates and growth rates.

Our audit procedures included the following:

- (i) Compared the cash flows projections against recent performance and compared the current period's actual results with previous forecasts to assess the historical accuracy of forecasts;
- (ii) Evaluated the reasonableness of the key assumptions used by management in the cash flows forecasts and projections;
- (iii) Evaluated the reasonableness of pre-tax discount rates used by management by comparing to market data as well as weighted average cost of capital of the industry and relevant risk factors; and
- (iv) Assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

(b) Recoverability of trade receivables and contract assets

The carrying amount of trade receivables of RM102,081,058 and contract assets of RM148,378,639 have been disclosed in Note 13 and Note 14 respectively to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and contract assets and appropriate forward-looking information.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROHAS TECNIC BERHAD (continued)
(Incorporated in Malaysia)**

Key Audit Matters (continued)

Key Audit Matters of the Group (continued)

(b) Recoverability of trade receivables and contract assets (continued)

Our audit procedures included the following:

- (i) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (ii) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical losses to determine the appropriateness of the forward-looking information used by the Group; and
- (iii) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

(c) Valuation of inventories

The carrying amount of inventories as at 31 December 2024 amounted to RM89,400,215, as disclosed in Note 15 to the financial statements.

We determined this to be a key audit matter because the Group holds a significant amount of inventories which are subject to a risk that the inventories become slow-moving or obsolete, such that they could not be sold or only be sold for selling prices that are less than the carrying value. There is inherent subjectivity and estimation required in determining the accuracy of inventories obsolescence provisions and in making an assessment of its adequacy due to risk such as inventories not stated at the lower of cost and net realisable value.

Our audit procedures included the following:

- (i) Understood and tested the methodology for calculating the provisions, challenged the appropriateness and consistency of judgements and assumptions, and considered the nature and suitability of data used in estimating the provisions;
- (ii) Checked selected inventories samples to sales subsequent to the financial year end to determine that these were sold at more than their cost; and
- (iii) Assessed the adequacy of the allowance for inventories write down at year end.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROHAS TECNIC BERHAD (continued)
(Incorporated in Malaysia)**

Key Audit Matters (continued)

Key Audit Matters of the Group (continued)

(d) Revenue recognition for Engineering, Procurement, Construction and Commissioning ("EPCC")

Revenue from construction of EPCC during the financial year amounted to RM202,635,815 is disclosed in Note 22 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time, which is based on the percentage of completion method. The determination of the percentage of completion requires management to exercise significant judgement in estimating the total costs to complete.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

In estimating the total costs to complete, the Group considers the completeness and accuracy of its cost estimation, including its obligations to contract variations, claims and cost contingencies.

Our audit procedures included the following:

- (i) Reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;
- (ii) Verified project costs incurred during the financial year to supporting documentation;
- (iii) Assessed estimated total costs to complete through enquiries with operational and financial personnel of the Group in relation to variations and claims and verified documentation to support the cost estimates including variation orders and cost contingencies; and
- (iv) Recomputed the percentage of completion determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROHAS TECNIC BERHAD (continued)
(Incorporated in Malaysia)**

Key Audit Matters (continued)

Key Audit Matters of the Group (continued)

(e) Impairment assessment on the carrying amounts of property, plant and equipment and right-of-use assets

As stated in Note 5(b) and Note 6(j) to the financial statements, certain subsidiaries have impairment indicators and they collectively held RM35,564,270 as the carrying amount of property, plant and equipment and RM13,205,901 as the carrying amount of right-of-use assets as at 31 December 2024.

We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the cash generating units ('CGU') in determining the recoverable amount. These key assumptions include projected growth in future revenues and profit margins, as well as determining appropriate pre-tax discount rates and growth rates.

Our audit procedures included the following:

- (i) Compared the cash flows projections against recent performance and compared the current period's actual results with previous forecasts to assess the historical accuracy of forecasts;
- (ii) Evaluated the reasonableness of the key assumptions used by management in the cash flows forecasts and projections;
- (iii) Evaluated the reasonableness of pre-tax discount rates used by management by comparing to market data as well as weighted average cost of capital of the industry and relevant risk factors; and
- (iv) Assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROHAS TECNIC BERHAD (continued)
(Incorporated in Malaysia)**

Key Audit Matters (continued)

Key Audit Matters of the Company

(a) Impairment assessment of carrying amounts of investments in subsidiaries

The carrying amount of investments in subsidiaries of RM315,454,712 has been disclosed in Note 8 to the financial statements. The carrying amount of the cost of investment in a subsidiary, with indications of impairment, amounted to RM10,824,804 as at the end of the reporting period.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the recoverable amount of the investments in subsidiaries. The recoverable amount of the investments in subsidiaries are determined based on discounted future cash flows projections, which require judgement on the part of management estimation of the future financial performance and key assumptions used, in particular profit margins, growth rates and pre-tax discount rate.

Our audit procedures included the following:

- (i) Compared the cash flows projections against recent performance and compared the current period's actual results with previous forecasts to assess the historical accuracy of forecasts;
- (ii) Evaluated the reasonableness of the key assumptions used by management in the cash flows forecasts and projections;
- (iii) Evaluated the reasonableness of pre-tax discount rates used by management by comparing to market data as well as weighted average cost of capital of the industry and relevant risk factors; and
- (iv) Assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROHAS TECNIC BERHAD (continued)
(Incorporated in Malaysia)**

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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company 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 and 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 ISAs 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROHAS TECNIC BERHAD (continued)
(Incorporated in Malaysia)**

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

- (a) 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.
- (b) 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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 ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- (e) 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.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROHAS TECNIC BERHAD (continued)
(Incorporated in Malaysia)**

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 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 8 to the financial statements.

Other Matters

The financial statements of the Group and of the Company for the financial year ended 31 December 2023 were audited by another firm of chartered accountants, whose report date 16 April 2024 expressed an unqualified opinion on those statements.

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Pang Zhi Hao
03450/09/2025 J
Chartered Accountant

Kuala Lumpur
29 April 2025

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	61,868,298	43,283,399	9	77
Right-of-use assets	6	42,434,276	29,382,526	-	-
Intangible asset	7	104,349	-	-	-
Investments in subsidiaries	8	-	-	315,454,712	308,991,408
Investment in an associate	9	56,435,330	53,888,694	-	-
Other investments	10	169,254	189,816	-	-
Deferred tax assets	11	4,510,897	7,207,199	-	-
Goodwill on consolidation	12	13,216,398	13,216,398	-	-
Other receivables	13	-	16,813	29,429,361	33,041,865
Contract assets	14	81,639,501	94,100,636	-	-
Total non-current assets		260,378,303	241,285,481	344,884,082	342,033,350
Current assets					
Inventories	15	89,400,215	104,988,850	-	-
Trade and other receivables	13	128,989,612	184,713,794	73,890	14,338,635
Contract assets	14	66,739,138	30,412,207	-	-
Tax recoverable		11,476,950	9,904,563	84,688	19,805
Cash and bank balances, deposits and placements	16	90,890,779	103,677,130	906,363	2,952,669
Total current assets		387,496,694	433,696,544	1,064,941	17,311,109
TOTAL ASSETS		647,874,997	674,982,025	345,949,023	359,344,459
EQUITY AND LIABILITIES					
Equity attributable to owner of the parent					
Share capital	17	299,484,409	299,484,409	299,484,409	299,484,409
Other reserves	18	(109,383,657)	(107,773,312)	-	-
Retained earnings		131,196,722	136,327,018	7,245,719	8,555,225
		321,297,474	328,038,115	306,730,128	308,039,634
Non-controlling interest	8	30,873,182	29,346,202	-	-
TOTAL EQUITY		352,170,656	357,384,317	306,730,128	308,039,634

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 (continued)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
LIABILITIES					
Non-current liabilities					
Borrowings	19	63,544,851	56,832,124	4,125,000	6,000,000
Lease liabilities	6	14,322,203	1,745,745	-	-
Retirement benefits	20	4,151,671	3,765,872	-	-
Total non-current liabilities		<u>82,018,725</u>	<u>62,343,741</u>	<u>4,125,000</u>	<u>6,000,000</u>
Current liabilities					
Trade and other payables	21	129,570,430	118,104,668	28,593,895	39,179,825
Contract liabilities	14	8,513,506	49,737,818	-	-
Borrowings	19	68,993,058	84,202,904	6,500,000	6,125,000
Lease liabilities	6	4,751,410	1,451,501	-	-
Tax payables		1,857,212	1,757,076	-	-
Total current liabilities		<u>213,685,616</u>	<u>255,253,967</u>	<u>35,093,895</u>	<u>45,304,825</u>
TOTAL LIABILITIES		<u>295,704,341</u>	<u>317,597,708</u>	<u>39,218,895</u>	<u>51,304,825</u>
TOTAL EQUITY AND LIABILITIES		<u>647,874,997</u>	<u>674,982,025</u>	<u>345,949,023</u>	<u>359,344,459</u>

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

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	22	328,247,457	364,280,719	-	5,470,184
Cost of sales		<u>(272,543,749)</u>	<u>(325,080,599)</u>	<u>-</u>	<u>-</u>
Gross profit		55,703,708	39,200,120	-	5,470,184
Other income		3,310,315	6,988,253	-	-
Distribution expenses		(569,692)	(1,367,933)	-	-
Administrative expenses		(40,535,573)	(31,353,544)	(1,218,382)	(1,196,886)
Other expenses		-	(11,224)	-	-
Net impairment losses on receivables		<u>(15,010,578)</u>	<u>(94,733)</u>	<u>-</u>	<u>-</u>
Operating profit/(loss)		2,898,180	13,360,939	(1,218,382)	4,273,298
Finance income	23	10,793,469	11,301,655	3,253,942	2,633,879
Finance costs	24	(14,397,572)	(11,983,469)	(3,111,289)	(3,637,343)
Share of profit of an equity-accounted associate		<u>2,546,636</u>	<u>1,997,774</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before tax	25	1,840,713	14,676,899	(1,075,729)	3,269,834
Tax expense	26	<u>(7,278,309)</u>	<u>(7,788,963)</u>	<u>(233,777)</u>	<u>(320,384)</u>
(Loss)/Profit after tax		(5,437,596)	6,887,936	(1,309,506)	2,949,450
Other comprehensive loss, net of tax:					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Remeasurement of retirement benefit obligation		(60,048)	(451,744)	-	-
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Foreign currency translation for foreign operations		<u>(2,660,119)</u>	<u>(2,086,368)</u>	<u>-</u>	<u>-</u>
Total other comprehensive loss		<u>(2,720,167)</u>	<u>(2,538,112)</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the financial year		<u><u>(8,157,763)</u></u>	<u><u>4,349,824</u></u>	<u><u>(1,309,506)</u></u>	<u><u>2,949,450</u></u>

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)**

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit after tax attributable to:					
Owners of the Company		(5,070,248)	3,288,509	(1,309,506)	2,949,450
Non-controlling interests		<u>(367,348)</u>	<u>3,599,427</u>	<u>-</u>	<u>-</u>
		<u><u>(5,437,596)</u></u>	<u><u>6,887,936</u></u>	<u><u>(1,309,506)</u></u>	<u><u>2,949,450</u></u>
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(6,740,641)	530,644	(1,309,506)	2,949,450
Non-controlling interests		<u>(1,417,122)</u>	<u>3,819,180</u>	<u>-</u>	<u>-</u>
		<u><u>(8,157,763)</u></u>	<u><u>4,349,824</u></u>	<u><u>(1,309,506)</u></u>	<u><u>2,949,450</u></u>
(Loss)/Earnings per share attributable to owners of the Company (sen):					
- Basic/Diluted	27	<u><u>(1.07)</u></u>	<u><u>0.70</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

Group	<---- Non-distributable ---->			Distributable		Non-controlling interest RM (Note 8)	Total equity RM
	Share capital RM (Note 17)	Reserve upon consolidation RM (Note 18)	Foreign currency translation reserve RM (Note 18)	Retained earnings RM	Total RM		
Balance as at 1 January 2023	299,484,409	(104,798,778)	(668,413)	134,262,849	328,280,067	34,158,659	362,438,726
Profit for the financial year	-	-	-	3,288,509	3,288,509	3,599,427	6,887,936
Other comprehensive (loss)/income, net of tax	-	-	(2,306,121)	(451,744)	(2,757,865)	219,753	(2,538,112)
Total comprehensive (loss)/income, net of tax	-	-	(2,306,121)	2,836,765	530,644	3,819,180	4,349,824
Transaction with owners							
Changes in ownership interests in a subsidiary	-	-	-	(772,596)	(772,596)	(8,631,637)	(9,404,233)
Balance as at 31 December 2023/ as at 1 January 2024	299,484,409	(104,798,778)	(2,974,534)	136,327,018	328,038,115	29,346,202	357,384,317
Loss for the financial year	-	-	-	(5,070,248)	(5,070,248)	(367,348)	(5,437,596)
Other comprehensive loss, net of tax	-	-	(1,610,345)	(60,048)	(1,670,393)	(1,049,774)	(2,720,167)
Total comprehensive loss, net of tax	-	-	(1,610,345)	(5,130,296)	(6,740,641)	(1,417,122)	(8,157,763)
Transactions with owners							
Non-controlling interest in newly incorporated subsidiaries	-	-	-	-	-	790,000	790,000
Issuance of shares by a subsidiary to non-controlling interest	-	-	-	-	-	2,154,102	2,154,102
	-	-	-	-	-	2,944,102	2,944,102
Balance as at 31 December 2024	299,484,409	(104,798,778)	(4,584,879)	131,196,722	321,297,474	30,873,182	352,170,656

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)

Company	Share capital RM (Note 17)	Retained earnings RM	Total equity RM
Balance as at 1 January 2023	299,484,409	5,605,775	305,090,184
Profit for the financial year	-	2,949,450	2,949,450
Other comprehensive income, net of tax	-	-	-
Total comprehensive income, net of tax	-	2,949,450	2,949,450
Balance as at 31 December 2023/ 1 January 2024	299,484,409	8,555,225	308,039,634
Loss for the financial year	-	(1,309,506)	(1,309,506)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss, net of tax	-	(1,309,506)	(1,309,506)
Balance as at 31 December 2024	299,484,409	7,245,719	306,730,128

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

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		1,840,713	14,676,899	(1,075,729)	3,269,834
Adjustments for:					
Impairment losses on receivables	25	15,525,676	245,914	-	-
Reversal of impairment losses on receivables	25	(515,098)	(151,181)	-	-
Bad debts written off	25	99,996	29,714	-	-
Depreciation of intangible asset	7	2,981	-	-	-
Depreciation of property, plant and equipment	5	4,320,812	3,752,718	68	7,012
Depreciation of right-of-use assets	6	3,443,188	1,378,876	-	-
Dividend income	25	(3,040)	(100,355)	-	(5,470,184)
Interest expenses	24	14,397,572	11,983,469	3,111,289	3,637,343
Interest income	23	(10,793,469)	(11,301,655)	(3,253,942)	(2,633,879)
Inventories written down	15	6,741,968	465,975	-	-
Reversal of inventories written down	15	(456,153)	(487,883)	-	-
Gain on disposal of property, plant and equipment	25	(256,117)	(732,222)	-	-
Gain on disposal of right-of-use assets	25	(2,832,836)	(138,000)	-	-
Gain on disposal of a subsidiary	8(f)	(2,203,500)	-	-	-
Fair value loss/(gain) on other investments	25	20,562	(8,489)	-	-
Net unrealised loss on foreign exchange	25	9,835,736	541,246	-	-
Property, plant and equipment written off	25	202,964	67	-	-
Provision for retirement benefits		477,751	828,767	-	-
Share of profit of an equity-accounted associate	9	(2,546,636)	(1,997,774)	-	-
Operating profit/(loss) before working capital changes		37,303,070	18,986,086	(1,218,314)	(1,189,874)

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Changes in working capital:					
Contract assets		(30,994,986)	35,739,346	-	-
Contract liabilities		(40,415,554)	2,917,413	-	-
Inventories		4,886,281	25,352,917	-	-
Receivables		40,212,352	(12,728,721)	20,086	99,415
Payables		27,521,922	(16,449,620)	(664,634)	553,148
Retirement benefits paid		(152,000)	(330,048)	-	-
Cash generated from/(used in) operations		38,361,085	53,487,373	(1,862,862)	(537,311)
Income tax paid, net of refund		(5,802,796)	(7,518,355)	(298,660)	(286,364)
Net cash from/(used in) operating activities		32,558,289	45,969,018	(2,161,522)	(823,675)
CASH FLOWS FROM INVESTING ACTIVITIES					
Non-controlling interest in newly incorporated subsidiaries		790,000	-	-	-
Issuance of shares by subsidiaries to non-controlling interests		2,154,102	-	-	-
Acquisition of non-controlling interests of a subsidiary		-	(9,404,233)	-	(9,404,233)
Interest received		10,793,469	11,301,655	3,253,942	2,633,879
Dividends received		3,040	100,355	-	5,470,184
Purchase of property, plant and equipment	5(c)	(22,312,821)	(12,059,737)	-	-
Purchase of intangible asset	7(c)	(107,330)	-	-	-
Purchase of right-of-use assets	6(f)	(1,492,500)	(395,266)	-	-
Proceeds from disposal of property, plant equipment		256,127	732,243	-	-
Proceeds from disposal of right-of-use assets		4,199,427	138,000	-	-
Proceeds from disposal of other investments		-	3,673	-	-
Net cash inflows from disposal of a subsidiary	8(f)	7,137,411	-	-	-
Placement in fixed deposits and bank balances pledged as collateral		(9,554,825)	(14,815,446)	-	(106,500)
Withdrawals/(Placements) in fixed deposits with maturity of more than 3 months		212,904	(293,271)	-	-
Repayments from subsidiaries		-	-	11,394,723	13,465,487

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES (continued)					
Repayments from/(Advances to) related parties		220,786	(152,819)	-	-
Repayments from an associate		-	360,613	-	-
Net cash (used in)/from investing activities		<u>(7,700,210)</u>	<u>(24,484,233)</u>	<u>14,648,665</u>	<u>12,058,817</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments to subsidiaries		-	-	(9,922,160)	(11,999,096)
Repayments to related parties		(12,318,748)	(6,272,696)	-	(96,810)
Interest paid		(14,087,060)	(11,983,469)	(3,111,289)	(3,637,343)
Drawdowns of long-term borrowings		8,110,500	35,088,511	(1,500,000)	7,125,000
Repayments of short-term borrowings		(15,413,256)	(2,408,591)	-	-
Payments of lease liabilities		<u>(4,127,801)</u>	<u>(1,365,974)</u>	<u>-</u>	<u>-</u>
Net cash (used in)/from financing activities		<u>(37,836,365)</u>	<u>13,057,781</u>	<u>(14,533,449)</u>	<u>(8,608,249)</u>
Net (decrease)/increase in cash and cash equivalents		(12,978,286)	34,542,566	(2,046,306)	2,626,893
Effect of exchange rate fluctuations on bank balances		(9,149,986)	(2,575,643)	-	-
Cash and cash equivalents at beginning of financial year		<u>52,358,667</u>	<u>20,391,744</u>	<u>2,846,169</u>	<u>219,276</u>
Cash and cash equivalents at end of financial year	16	<u><u>30,230,395</u></u>	<u><u>52,358,667</u></u>	<u><u>799,863</u></u>	<u><u>2,846,169</u></u>

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM	Related parties (Note 21) RM	Borrowings (Note 19) RM
2024			
Balance as at 1 January	3,197,246	12,318,748	141,035,028
Cash flows:			
- Payments of lease liabilities	(4,365,278)	-	-
- Interest paid on lease liabilities	237,477	-	-
- Repayments to	-	(12,318,748)	-
- Net repayments of borrowings	-	-	(7,302,756)
Non-cash flows:			
- Additions	19,693,656	-	-
- Foreign exchange differences	-	-	(1,194,363)
- Unwinding of interest	310,512	-	-
Balance as at 31 December	<u>19,073,613</u>	<u>-</u>	<u>132,537,909</u>
	Lease liabilities (Note 6) RM	Related parties (Note 21) RM	Borrowings (Note 19) RM
2023			
Balance as at 1 January	2,214,953	18,591,444	108,253,725
Cash flows:			
- Payments of lease liabilities	(1,497,121)	-	-
- Interest paid on lease liabilities	131,147	-	-
- Repayments to	-	(6,272,696)	-
- Net drawdowns of borrowings	-	-	32,679,920
Non-cash flows:			
- Other payables	778,267	-	-
- Additions	1,570,000	-	-
- Foreign exchange differences	-	-	101,383
Balance as at 31 December	<u>3,197,246</u>	<u>12,318,748</u>	<u>141,035,028</u>

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

Company		Subsidiaries (Note 21) RM	Borrowings (Note 19) RM
2024			
Balance as at 1 January		38,272,213	12,125,000
Cash flows:			
- Repayments to		(9,922,160)	-
- Net repayments of borrowings		<u>-</u>	<u>(1,500,000)</u>
Balance as at 31 December		<u>28,350,053</u>	<u>10,625,000</u>
	Related parties RM	Subsidiaries (Note 21) RM	Borrowings (Note 19) RM
2023			
Balance as at 1 January	96,810	50,271,309	5,000,000
Cash flows:			
- Repayments to	(96,810)	(11,999,096)	-
- Net drawdown of borrowings	<u>-</u>	<u>-</u>	<u>7,125,000</u>
Balance as at 31 December	<u>-</u>	<u>38,272,213</u>	<u>12,125,000</u>

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

ROHAS TECNIC BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

1. CORPORATE INFORMATION

Rohas Tecnic 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 has been changed from 149A, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur to 29-2, Level 29, Oval Damansara, 685, Jalan Damansara, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The principal place of business of the Company is located at 15th Floor, East Wing, Rohas Tecnic, No. 9, Jalan P. Ramlee, 50250 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 December 2024 comprise the Company and its subsidiaries and the interests of the Group in an associate. These financial statements are presented in Ringgit Malaysia (‘RM’), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 29 April 2025.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are mainly designing and fabrication of steel structure for high tension transmission towers, microwave towers and substations structures and provision of other fabrication and installation works, provision of telecommunication system and infra network installation service, operation of a hot-dip galvanising plant, designing, supplying and construction of telecommunication infrastructure, contractor in the implementation of potable and water treatment projects, investment holding and provision of management services, contractor for installing electrical transmission lines and provision of other related services, designing, supplying, fabrication and installation of steel structures, construction activities and other general contract works and other related activities, contractor for water and wastewater treatment sectors and pipeline construction and other related activities, and development and operation of hydro power plant.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 4 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements and on a going concern basis.

3. BASIS OF PREPARATION (continued)

During the financial year ended 31 December 2024, the Company recorded a net loss of RM1,309,506 and, as of the date, the current liabilities of the Company exceeded its current assets by RM34,028,954. The Directors are of the opinion that the Company will have sufficient cash flows for the next twelve (12) months from the date of the financial statements to meet its cash flow requirements and there is no material uncertainty on the ability of the Company to continue as a going concern.

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

4.1 New MFRSs adopted during the financial year

The Group and Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

The adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

4.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and Company are still in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM	Buildings RM	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Telecommuni- cation structure RM	Capital work-in- progress RM	Total RM
Cost								
As at 1 January 2023	4,525,710	1,020,929	73,376,293	23,961,818	6,701,508	9,383,401	8,698,878	127,668,537
Additions	25,330	-	642,542	577,166	147,198	119,742	10,547,759	12,059,737
Disposals	-	-	(1,480,148)	-	(61,323)	-	-	(1,541,471)
Written off	-	-	(1,052,018)	(577,259)	-	-	-	(1,629,277)
Transfer to right-of-use assets (Note 6)	-	-	(64,901)	-	-	-	-	(64,901)
Transfer from right-of-use assets (Note 6)	-	-	405,460	-	1,340,477	-	-	1,745,937
Reclassifications	-	8,101,630	-	-	-	6,733,497	(14,835,127)	-
Foreign exchange difference	112,416	-	-	28,136	1,167	444,072	31,572	617,363
As at 31 December 2023/1 January 2024	4,663,456	9,122,559	71,827,228	23,989,861	8,129,027	16,680,712	4,443,082	138,855,925
Additions	695,304	-	2,477,937	1,622,622	24,000	41,129	19,386,454	24,247,446
Disposals	-	-	-	(42,536)	(1,079,304)	-	-	(1,121,840)
Disposal of a subsidiary	-	-	(3,595,120)	(150,702)	-	-	-	(3,745,822)
Written off	-	-	(1,012,940)	-	-	(170,709)	-	(1,183,649)
Reclassifications	-	-	1,475,540	-	-	17,702,081	(19,177,621)	-
Foreign exchange difference	(135,694)	(49,718)	-	(23,220)	(53,185)	(943,328)	(10,768)	(1,215,913)
As at 31 December 2024	5,223,066	9,072,841	71,172,645	25,396,025	7,020,538	33,309,885	4,641,147	155,836,147

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land and buildings RM	Buildings RM	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Telecommuni- cation structure RM	Capital work-in- progress RM	Total RM
Accumulated depreciation								
As at 1 January 2023	248,850	494,416	61,786,986	18,455,550	6,414,389	160,583	-	87,560,774
Charge for the financial year	23,700	63,914	1,467,252	1,543,481	56,835	597,536	-	3,752,718
Disposals	-	-	(1,480,131)	-	(61,319)	-	-	(1,541,450)
Written off	-	-	(1,051,994)	(577,216)	-	-	-	(1,629,210)
Transfer to right-of-use assets (Note 6)	-	-	(64,900)	-	-	-	-	(64,900)
Transfer from right-of-use assets (Note 6)	-	-	227,612	-	1,340,474	-	-	1,568,086
Foreign exchange difference	-	-	-	(31,965)	30,251	11,239	-	9,525
As at 31 December 2023/1 January 2024	272,550	558,330	60,884,825	19,389,850	7,780,630	769,358	-	89,655,543
Charge for the financial year	(81,244)	182,356	1,451,022	1,538,816	40,466	1,189,396	-	4,320,812
Disposals	-	-	-	(42,530)	(1,079,300)	-	-	(1,121,830)
Disposal of a subsidiary	-	-	(3,573,044)	(150,691)	-	-	-	(3,723,735)
Written off	-	-	(963,002)	-	-	(17,683)	-	(980,685)
Foreign exchange difference	-	-	-	(48,756)	(1,390)	(49,093)	-	(99,239)
As at 31 December 2024	191,306	740,686	57,799,801	20,686,689	6,740,406	1,891,978	-	88,050,866
Accumulated impairment losses								
At 1 January 2023/31 December 2023/ 31 December 2024	-	-	5,563,870	353,113	-	-	-	5,916,983
Net carrying amount								
At 31 December 2024	5,031,760	8,332,155	7,808,974	4,356,223	280,132	31,417,907	4,641,147	61,868,298
At 31 December 2023	4,390,906	8,564,229	5,378,533	4,246,898	348,397	15,911,354	4,443,082	43,283,399

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Office equipment RM
Cost	
As at 1 January 2023/31 December 2023/31 December 2024	<u>22,775</u>
Accumulated depreciation	
As at 1 January 2023	15,686
Charge for the financial year	<u>7,012</u>
As at 31 December 2023/1 January 2024	22,698
Charge for the financial year	<u>68</u>
As at 31 December 2024	<u>22,766</u>
Net carrying amount	
At 31 December 2024	<u>9</u>
At 31 December 2023	<u>77</u>

- (a) Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and impairment losses.
- (b) The Group assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the Cash Generating Units (“CGUs”). Management considered the losses generated in certain operating subsidiaries in the current financial year as impairment indicators. These subsidiaries collectively held RM35,564,270 (2023:RM 22,340,609) as the carrying amount of property, plant and equipment as at the end of the reporting period.

Value-in-use is determined by discounting future cash flows over five (5) or twenty (20) years period which is based on the remaining useful life of the telecommunication structure of the CGU. Future cash flows are based on business plans, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each CGU.

There remains a risk that the ability to achieve these business plans of the management may be adversely affected due to unforeseen changes in the respective economies in which the CGUs operate.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) (continued)

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the CGUs and management's assessment of future trends based on the following key assumptions:

	EPCC		Telecommunication structure services	
	2024 %	2023 %	2024 %	2023 %
Revenue growth rates	27.2	1.0	5.8	25.9
Gross profit margin	8.9	8.4	86.4	52.7
Pre-tax discount rates	9.2	8.1	15.1	7.1

The following describes each key assumption on which the Directors have used in the cash flow projections for the purpose of impairment testing of goodwill:

- (i) Revenue growth rates - Based on the average annual revenue growth rates obtained from financial budgets approved by management.
- (ii) Gross profit margin - Based on the average forecasted margin for project/business.
- (iii) Pre-tax discount rates - Based on the industry weighted average cost of capital. The discount rate used is pre-tax and reflects specific risks relating to the relevant segments.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on external and internal sources. The management is not aware of any reasonably possible change in above key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

- (c) Depreciation is recognised on a straight-line method in order to write off the cost of each asset over its estimated useful life. All property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	2%
Plant and machinery	10 - 20%
Furniture, fittings and office equipment	15 - 33⅓%
Motor vehicles	20%
Telecommunication structure	5%

Freehold land is not depreciated but is subject to impairment test if there is indication of impairment.

Capital work-in-progress consist of buildings, plant and machinery and telecommunication structure under construction/installation for intended use as production facilities. Assets under construction are not depreciated until they are completed and ready for their intended use.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (d) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2024	2023
	RM	RM
Purchase of property, plant and equipment	24,247,446	12,059,737
Unsettled and remained as other payables	(193,625)	-
Financed under lease arrangements	<u>(1,741,000)</u>	<u>-</u>
Cash payments on purchase of property plant and equipment	<u>22,312,821</u>	<u>12,059,737</u>

- (e) Carrying amounts of assets charged as securities to licensed banks for bank borrowings granted to the Group as disclosed in Note 19 to the financial statements are as follows:

	Group	
	2024	2023
	RM	RM
Freehold land and buildings	<u>2,649,043</u>	<u>2,688,456</u>

The cost and carrying amounts of the freehold land is not segregated from the buildings as required details is not available and unreasonable.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as a lessee

Right-of-use assets

Group	Land on long-term lease RM	Long term leasehold land, factory and buildings RM	Leasehold buildings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Cost						
At 1 January 2023	11,094,906	7,702,566	17,656,579	4,216,146	1,952,268	42,622,465
Additions	-	-	257,250	1,570,000	138,016	1,965,266
Disposal	-	-	-	-	(347,573)	(347,573)
Transfer from property, plant and equipment (Note 5)	-	64,901	-	-	-	64,901
Transfer to property, plant and equipment (Note 5)	-	-	-	(405,460)	(1,340,477)	(1,745,937)
As at 31 December 2023/1 January 2024	11,094,906	7,767,467	17,913,829	5,380,686	402,234	42,559,122
Additions	10,773,195	-	5,323,043	3,110,900	238,018	19,445,156
Disposals	-	(2,376,580)	(324,766)	-	-	(2,701,346)
Disposal of a subsidiary	-	(1,696,279)	-	-	-	(1,696,279)
At 31 December 2024	21,868,101	3,694,608	22,912,106	8,491,586	640,252	57,606,653

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as a lessee (continued)

Right-of-use asset (continued)

Group	Land on long-term lease RM	Long term leasehold land, factory and buildings RM	Leasehold buildings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Accumulated depreciation						
Balance as at 1 January 2023	3,889,502	1,266,534	5,633,028	1,222,380	1,637,035	13,648,479
Charge for the financial year	223,121	85,503	358,265	474,369	237,618	1,378,876
Disposal	-	-	-	-	(347,573)	(347,573)
Transfer from property, plant and equipment (Note 5)	-	64,900	-	-	-	64,900
Transfer to property, plant and equipment (Note 5)	-	-	-	(227,612)	(1,340,474)	(1,568,086)
Balance as at 31 December 2023/1 January 2024	4,112,623	1,416,937	5,991,293	1,469,137	186,606	13,176,596
Charge for the financial year	223,733	202,788	2,282,044	620,803	113,820	3,443,188
Disposals	-	(1,121,430)	(213,325)	-	-	(1,334,755)
Disposal of a subsidiary	-	(112,652)	-	-	-	(112,652)
Balance as at 31 December 2024	4,336,356	385,643	8,060,012	2,089,940	300,426	15,172,377
Net carrying amount						
Balance as at 31 December 2024	17,531,745	3,308,965	14,852,094	6,401,646	339,826	42,434,276
Balance as at 31 December 2023	6,982,283	6,350,530	11,922,536	3,911,549	215,628	29,382,526

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as a lessee (continued)

Right-of-use asset (continued)

Lease liabilities

	Group	
	2024 RM	2023 RM
Balance as at 1 January	3,197,246	2,214,953
Additions	19,693,656	1,570,000
Other payables	-	778,267
Lease payments	(4,365,278)	(1,497,121)
Interest expense	547,989	131,147
	<u>19,073,613</u>	<u>3,197,246</u>
Balance as at 31 December	<u>19,073,613</u>	<u>3,197,246</u>
Represented by:		
Current liabilities	4,751,410	1,451,501
Non-current liabilities	14,322,203	1,745,745
	<u>19,073,613</u>	<u>3,197,246</u>
Lease liabilities owing to financial institutions	5,629,449	3,197,246
Lease liabilities owing to non-financial institutions	13,444,164	-
	<u>19,073,613</u>	<u>3,197,246</u>

- (a) The Group has a number of long-term leasehold land and buildings. In addition, the Group leases a number of plant and machinery and motor vehicles which comprise of only fixed payments over the lease terms.
- (b) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as a lessee (continued)

- (c) Right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Land on long-term lease	Over period of the lease up to 66 years
Long term leasehold land, factory and buildings	57 – 98 years
Leasehold buildings	2%
Plant and machinery	10 - 20%
Motor vehicles	20%

- (d) Carrying amounts of leased assets of the Group charged as securities to licensed banks for banking facilities granted to the Group as disclosed in Note 19 to the financial statements are as follows:

	Group	
	2024 RM	2023 RM
Land on long term lease	3,051,792	3,158,702
Leasehold buildings	8,251,014	7,594,345
Long term leasehold land, factory and buildings	1,915,824	4,881,197
	<u>13,218,630</u>	<u>15,634,244</u>

- (e) The Group has certain leases of assets with lease term of 12 months or less and low-value of leases of RM5,000 and below. The Group applies the 'short-term lease' and 'lease of low-value assets' exemptions for these leases.

- (f) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	Group	
	2024 RM	2023 RM
Additions of right-of-use assets	19,445,156	1,965,266
Financed under lease arrangements	(17,952,656)	(1,570,000)
Cash payments on purchase of right-of-use assets	<u>1,492,500</u>	<u>395,266</u>

- (g) The following are amounts recognised in profit or loss:

	Group	
	2024 RM	2023 RM
Depreciation charge of right-of-use assets (included in cost of sales and administrative expenses)	3,443,188	1,378,876
Interest expense on lease liabilities (included in finance costs)	547,989	131,147
Expense relating to short-term leases and leases of low- value assets (included in administrative expenses)	8,962,444	5,686,340
Gain on disposal of right-of-use assets (included in administrative expenses)	(2,832,836)	(138,000)
	<u>10,120,785</u>	<u>7,058,363</u>

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as a lessee (continued)

- (h) The following are total cash outflows for leases as a lessee:

	2024	Group
	RM	2023
		RM
Included in net cash from operating activities:		
Payments relating to short-term leases and low value assets	8,962,444	5,686,340
Included in net cash from investing activities:		
Additions of right-of-use assets	1,492,500	395,266
Included in net cash from financing activities:		
Payments of lease liabilities	<u>4,127,801</u>	<u>1,365,974</u>
Total cash outflows for leases	<u><u>14,582,745</u></u>	<u><u>7,447,580</u></u>

- (i) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.
- (j) The Group assessed whether there were any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the Cash Generating Units ("CGUs"). Management considered the losses generated in certain operating subsidiaries in the current financial year as impairment indicators. These subsidiaries collectively held RM13,205,901 (2023:RM 2,106,159) as the carrying amount of right-of-use assets as at the end of the reporting period.

Value-in-use is determined by discounting future cash flows over five (5) or twenty (20) years period which is based on the remaining useful life of the land on long-term lease of the CGU. Future cash flows are based on business plans, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each CGU.

There remains a risk that the ability to achieve these business plans of the management may be adversely affected due to unforeseen changes in the respective economies in which the CGUs operate.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the CGUs and management's assessment of future trends based on the key assumptions as disclosed in Note 5(b) to the financial statements.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on external and internal sources. The management is not aware of any reasonably possible change in above key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as a lessor

The Group has entered into operating leases on its buildings and land on long term leases with 1 year lease term. Rental income recognised by the Group is RM259,600 (2023: RM231,600).

7. INTANGIBLE ASSET

Group	Computer software/ Total RM
Cost	
As 1 January 2023/31 December 2023	-
Addition	107,330
As at 31 December 2024	107,330
Accumulated amortisation	
As at 1 January 2023/31 December 2023	-
Charge for the financial year	(2,981)
As at 31 December 2024	(2,981)
Net carrying amount	
As at 31 December 2024	104,349
As at 31 December 2023	-

(a) Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

(b) Amortisation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal amortisation periods are as follows:

Computer software	3 years
-------------------	---------

The residual values, useful lives and amortisation methods are reviewed at the end of each reporting period.

(c) During the financial year, the Group made the following cash payments to purchase intangible asset:

	Group	
	2024 RM	2023 RM
Cash payments on purchase of intangible asset	107,330	-

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares in Malaysia, at cost	<u>315,454,712</u>	<u>308,991,408</u>

The details of the subsidiaries are as follows:

Name of companies	Principal place of business/ Country of incorporation	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Direct subsidiaries of the Company				
Rohas-Euco Industries Bhd. [“REI”]	Malaysia	100	100	Design and fabrication of steel structure for high tension transmission towers, microwave towers and substations structures and provision of other fabrication and installation works
RG Transmission Sdn. Bhd. [“RGT”]	Malaysia	100	-	Investment holding
Global Tower Corporation Pty. Ltd. [“GTC”] #	Cambodia	75	75	Provision of telecommunication system and infra network installation service
Subsidiaries of REI				
Galvanising Engineering and Services Sdn. Bhd. [“GES”]	Malaysia	100	100	Operation of a hot-dip galvanising plant
RT Telecom Sdn. Bhd. [“RTT”]	Malaysia	100	100	Design, supply and construction of telecommunication infrastructure
RBC Water Sdn. Bhd. [“RBC”]	Malaysia	100	100	Contractor in the implementation of potable and water treatment projects
Hydro Haven Sdn. Bhd. [“HH”]	Malaysia	100	100	Investment holding
REI International (HK) Ltd. [“REIHK”] #	Hong Kong	100	100	Investment holding and provision of management services

8. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of companies	Principal place of business/ Country of incorporation	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Subsidiaries of REI (continued)				
Rohas Sediabena Builders Consortium Sdn. Bhd. [“RSBC”]	Malaysia	70	-	Design, supply, fabrication and installation of steel structures, construction activities and other general contract works and other related activities
REI OOE Consortium Sdn. Bhd. [“ROC”] #	Malaysia	51	-	Contractor for water and wastewater treatment sectors and pipeline construction and other related activities
Subsidiary of RGT				
HG Power Transmission Sdn. Bhd. [“HGPT”] *	Malaysia	87	87	Contractor for installing electrical transmission lines and provision of other related services
Subsidiary of REIHK				
PT REI Abadi Indonesia [“PTRAI”] #	Republic of Indonesia	99	99	Investment holding and provision of management services
Held through HH				
PT REI Abadi Indonesia [“PTRAI”] #	Republic of Indonesia	1	1	Investment holding and provision of management services
Subsidiary of PTRAI				
PT Century Abadi Perkasa [“PTCAP”] #	Republic of Indonesia	55	55	Development and operation of hydro power plant

8. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of companies	Principal place of business/ Country of incorporation	Effective ownership and voting interest		Principal activities
		2024 %	2023 %	
Subsidiaries of HGPT				
HG Power Transmission (PNG) Ltd. [“PNG”] #	Papua New Guinea	100	100	Contractor for installing electrical transmission lines and provision of other related services
IAC Electricals (M) Sdn. Bhd. [“IAC”]	Malaysia	-	100	Design and manufacture of hardware and accessories for overhead electrical transmission towers and fittings

Not audited by BDO PLT

* During the financial year, the Company disposed of its entire equity interest in HGPT to RGT, a wholly owned subsidiary of the Company. HGPT ceased to be a direct subsidiary of the Company and became an indirect subsidiary through RGT.

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

All components of non-controlling interests shall be initially measured at fair value on the acquisition date, unless another measurement basis is required by MFRS. The choice of the measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of the non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

- (b) Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. The carrying amount of the cost of investment in a subsidiary, with indications of impairment, amounted to RM10,824,804 as at the end of the reporting period.

Recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries. Value-in-use is the net present value of the projected future cash flows derived from business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. This discounted cash flows method involves the use of estimated future results and a set of assumptions to support their income and cash flows. Significant judgements and estimates were used to determine the key assumptions applied to the cash flow projections, which includes the growth rates and the appropriate pre-tax discount rates used for each of the subsidiary. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

8. INVESTMENTS IN SUBSIDIARIES (continued)

(b) (continued)

	Telecommunication structure services	
	2024 %	2023 %
Revenue growth rates	23.3	N/A
Gross profit margin	85.3	N/A
Pre-tax discount rates	15.1	N/A
Terminal growth rate	Nil	N/A

The following describes each key assumption on which the Directors have used in the cash flow projections for the purpose of impairment testing of goodwill:

- (i) Revenue growth rates - Based on the average annual revenue growth rate obtained from financial budgets approved by management.
- (ii) Gross profit margin - Based on the average forecasted margin for project/business.
- (iii) Pre-tax discount rates - Based on the industry weighted average cost of capital. The discount rate used is pre-tax and reflects specific risks relating to the relevant segments.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on external and internal sources. The management is not aware of any reasonably possible change in above key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

- (c) On 23 January 2024, the Company incorporated RGT, a company incorporated in Malaysia. The Company subscribed for 1,000 ordinary shares at the price of RM1.00 per share via capitalisation of advances to RGT amounting to RM1,000, representing 100% of the issued share capital of RGT.
- (d) On 30 January 2024, REI, a wholly-owned subsidiary of the Company incorporated RSBC, a company incorporated in Malaysia. REI subscribed for 700,000 ordinary shares at the price of RM1.00 per share for a total cash consideration of RM700,000, representing 70% of the issued share capital of RSBC.
- (e) On 11 July 2024, GTC increased its paid-up share capital from 1,000 ordinary shares to 400,000 ordinary shares. The Company subscribed to 299,250 of these new shares at the price of approximately RM21.60 per share via capitalisation of advances to GTC amounting to RM6,462,304, thereby maintaining its ownership at 75%.
- (f) On 12 September 2024, HGPT had disposed off its entire equity interest comprising 1,500,000 ordinary shares in IAC for a cash consideration of RM8,149,000.

8. INVESTMENTS IN SUBSIDIARIES (continued)

(f) (continued)

The disposal of IAC had the following effects on the financial position and financial performance of the Group for the year ended 31 December 2024:

	Group RM
Property, plant and equipment	22,087
Right-of-use assets	1,583,627
Inventories	4,315,416
Other receivables	10,227
Current tax assets	22,253
Cash and bank balances	90
	<hr/>
Total identifiable assets	5,953,700
Trade and other payables	(8,200)
	<hr/>
Net assets	5,945,500
Net proceeds from disposal	(8,149,000)
	<hr/>
Gain on disposal	<u>2,203,500</u>

The effects of the disposal of IAC on cash flow were as follows:

	Group RM
Cash inflow on disposal:	
Total purchase consideration	8,149,000
Less: Cash consideration receivable	(1,011,499)
	<hr/>
Consideration settled in cash and cash equivalents	7,137,501
Less: Cash and cash equivalents of a subsidiary disposed	(90)
	<hr/>
Net cash inflow on disposal	<u>7,137,411</u>

- (g) On 20 September 2024, RBC, a wholly-owned subsidiary of REI, increased its paid-up share capital from RM1,519,000 to RM20,000,000 by allotment of 18,481,000 ordinary shares at the price of RM1.00 per share. REI subscribed for the ordinary shares via capitalisation of advances to RBC amounting to RM18,481,000.
- (h) On 26 September 2024, the Company entered into a share sale agreement with RGT whereby the Company will sell its 5,673,694 shares in HGPT to RGT for a total consideration of RM104,628,908, which represented the Company's total investment in HGPT. The consideration is settled through an allotment of 104,628,908 shares of RM1.00 each in RGT to the Company.
- (i) On 16 October 2024, REI, a wholly-owned subsidiary of the Company incorporated ROC, a company incorporated in Malaysia. REI subscribed for 510,000 ordinary shares at the price of RM1.00 per share via capitalisation of advances from REI amounting to RM510,000, representing 51% of the issued share capital of ROC.
- (j) In the previous financial year, on 31 July 2023, the Company acquired an additional 573,154 ordinary shares representing 8.77% equity interest in HGPT from its non-controlling interest for a cash consideration of RM9,404,233 and increasing its ownership from 78.07% to 86.84%.

8. INVESTMENTS IN SUBSIDIARIES (continued)

(k) Subsidiaries of the Group that have material non-controlling interests ('NCI') are as follows:

2024	HGPT	GTC	PTCAP	RSBC	ROC	Total
Percentage of ownership interest and voting interest (%)	13%	25%	45%	30%	49%	
Carrying amount of NCI (RM)	11,681,971	(289,377)	18,022,868	956,425	501,295	30,873,182
(Loss)/Profit allocated to NCI (RM)	(1,079,475)	(1,099,740)	1,144,147	656,425	11,295	(367,348)
Total comprehensive (loss)/income allocated to NCI (RM)	(1,188,026)	(999,223)	102,407	656,425	11,295	(1,417,122)
2023						
Percentage of ownership interest and voting interest (%)	13%	25%	45%	-	-	
Carrying amount of NCI (RM)	12,869,997	(1,444,256)	17,920,461	-	-	29,346,202
Profit/(Loss) allocated to NCI (RM)	748,258	(269,007)	3,120,176	-	-	3,599,427
Total comprehensive income/(loss) allocated to NCI (RM)	391,034	(279,787)	3,707,933	-	-	3,819,180

8. INVESTMENTS IN SUBSIDIARIES (continued)

- (1) Summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

2024	HGPT RM	GTC RM	PTCAP RM	RSBC RM	ROC RM	Total RM
Assets and liabilities						
Non-current assets	6,676,204	32,923,890	85,146,818	311,484	2	125,058,398
Current assets	142,625,500	12,044,968	20,774,485	63,145,355	2,014,737	240,605,045
Non-current liabilities	(256,283)	(4,032,502)	(58,313,601)	(147,910)	-	(62,750,296)
Current liabilities	(62,590,817)	(41,722,902)	(8,892,983)	(60,120,847)	(991,688)	(174,319,237)
Net assets/(liabilities)	86,454,604	(786,546)	38,714,719	3,188,082	1,023,051	128,593,910
Results						
Revenue	103,557,384	7,147,870	16,946,373	49,216,803	859,422	177,727,852
(Loss)/Profit for the financial year	(8,202,691)	(4,398,960)	2,542,549	2,188,082	23,051	(7,847,969)
Total comprehensive (loss)/profit for the financial year	(9,027,533)	(3,996,895)	227,570	2,188,082	23,051	(10,585,725)
Net cash flows (used in)/from operating activities	(7,299,493)	5,061,001	8,049,856	2,299,507	89,837	8,200,708
Net cash flows from/(used in) investing activities	7,224,875	(8,433,328)	(695,303)	85,443	(2)	(1,818,315)
Net cash flows (used in)/from financing activities	(9,659,320)	4,170,207	(7,923,408)	11,205,019	1,000,000	(1,207,502)
Net (decrease)/increase in cash and cash equivalents	(9,733,938)	797,880	(568,855)	13,589,969	1,089,835	5,174,891

8. INVESTMENTS IN SUBSIDIARIES (continued)

- (1) Summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows: (continued)

2023	HGPT RM	GTC RM	PTCAP RM	Total RM
Assets and liabilities				
Non-current assets	13,703,129	19,625,119	96,413,176	129,741,424
Current assets	189,076,555	5,982,933	19,949,797	215,009,285
Non-current liabilities	(43,497)	(3,831,577)	(43,955,058)	(47,830,132)
Current liabilities	(105,860,912)	(27,553,499)	(40,678,792)	(174,093,203)
Net assets/(liabilities)	96,875,275	(5,777,024)	31,729,123	122,827,374
Results				
Revenue	142,355,448	3,261,151	6,679,714	152,296,313
Profit/(Loss) for the financial year	3,911,425	(1,076,029)	6,933,724	9,769,120
Total comprehensive income/(loss) for the financial year	618,762	(1,119,149)	8,239,850	7,739,463
Net cash flows from/(used in) operating activities	31,754,951	(2,925,061)	(9,437,868)	19,392,022
Net cash flows from/(used in) investing activities	937,596	(10,417,294)	(175,500)	(9,655,198)
Net cash flows (used in)/from financing activities	(24,059,141)	13,496,277	11,265,303	702,439
Net increase in cash and cash equivalents	8,633,406	153,922	1,651,935	10,439,263

9. INVESTMENT IN AN ASSOCIATE

	Group	
	2024 RM	2023 RM
Unquoted shares outside Malaysia, at cost	47,373,184	47,373,184
Share of post-acquisition profit, net of tax	9,062,146	6,515,510
	<u>56,435,330</u>	<u>53,888,694</u>

9. INVESTMENT IN AN ASSOCIATE (continued)

Details of the associate is as follows:

Name of companies	Principal place of business	Effective ownership and voting interest		Principal activity
		2024 %	2023 %	
Held through RBC				
Phu My Vinh Construction and Investment Corporation [“PMV”] #	Socialist Republic of Vietnam	30	30	Operator of water treatment plants

Not audited by BDO PLT.

- (a) Investment in an associate is measured at cost less impairment losses in the separate financial statements of the Company and accounted for using equity method in the consolidated financial statements.
- (b) In the previous financial year, included in the investment in associate was an amount of RM47,373,184 which was pledged as security for the banking facilities granted to a subsidiary. The facilities have been fully settled during the current financial year, and accordingly, the pledge over the investment has been discharged.
- (c) Summarised financial information of the associate is as follows:

2024	PMV RM
Assets and liabilities	
Non-current assets	178,691,964
Current assets	14,949,290
Non-current liabilities	(89,957,377)
Current liabilities	(14,424,236)
Net assets	<u>89,259,641</u>
Results	
Revenue	38,135,347
Profit/Total comprehensive income for the financial year	<u>8,488,787</u>
As at 31 December 2024	
Group's share of net assets	26,777,892
Goodwill	27,725,095
Unadjusted foreign translation differences	<u>1,932,343</u>
Carrying amount in the statements of financial position	<u>56,435,330</u>

9. INVESTMENT IN AN ASSOCIATE (continued)

(c) Summarised financial information of the associate is as follows: (continued)

2024 (continued)	PMV RM
Share of results of the Group for the financial year ended 31 December 2024	
Share of profit of the Group	2,546,636
Share of other comprehensive income of the Group	-
Share of total comprehensive income of the Group	<u>2,546,636</u>
2023	
Assets and liabilities	
Non-current assets	191,934,097
Current assets	16,382,852
Non-current liabilities	(101,166,044)
Current liabilities	<u>(17,537,144)</u>
Net assets	<u>89,613,761</u>
Results	
Revenue	30,690,019
Profit/Total comprehensive income for the financial year	<u>6,659,247</u>
As at 31 December 2023	
Group's share of net assets	26,884,128
Goodwill	27,725,095
Unadjusted foreign translation differences	<u>(720,529)</u>
Carrying amount in the statements of financial position	<u>53,888,694</u>
Share of results of the Group for the financial year ended 31 December 2023	
Share of profit of the Group	1,997,774
Share of other comprehensive income of the Group	-
Share of total comprehensive income of the Group	<u>1,997,774</u>

10. OTHER INVESTMENTS

	Group	
	2024	2023
	RM	RM
Fair value through profit or loss		
Quoted investments, at fair value		
- within Malaysia	<u>169,254</u>	<u>189,816</u>
(a) Quoted shares in Malaysia are categorised as Level 1 in fair value hierarchy. Fair value of quoted shares is determined by reference to exchange quoted market prices at the end of the reporting period.		
(b) Sensitivity analysis for other investments is not disclosed as it is immaterial to the Group.		
(c) There were no transfer between levels in the fair value hierarchy during the financial year.		

11. DEFERRED TAX ASSETS

	Group	
	2024	2023
	RM	RM
At 1 January	7,207,199	10,227,863
Recognised in profit or loss (Note 26)		
- current year	(3,205,033)	(3,174,664)
- over provision in prior years	508,731	154,000
	<u>(2,696,302)</u>	<u>(3,020,664)</u>
At 31 December	<u>4,510,897</u>	<u>7,207,199</u>

11. DEFERRED TAX ASSETS (continued)

- (a) The components and movement of deferred tax assets and deferred tax liabilities prior to offsetting are as follows:

Deferred tax assets

Group	Property, plant and equipment/ Right-of-use assets RM	Unabsorbed capital allowances and tax losses RM	Accumulated impairment losses RM	Provisions RM	Others RM	Total RM
At 1 January 2023	(2,096,000)	6,476,863	3,469,000	1,109,000	1,269,000	10,227,863
Recognised in profit and loss	275,000	(1,283,786)	(2,928,000)	1,228,122	(312,000)	(3,020,664)
At 31 December 2023	(1,821,000)	5,193,077	541,000	2,337,122	957,000	7,207,199
Recognised in profit and loss	(160,064)	(3,599,715)	181,132	1,730,440	(848,095)	(2,696,302)
At 31 December 2024	(1,981,064)	1,593,362	722,132	4,067,562	108,905	4,510,897

11. DEFERRED TAX ASSETS (continued)

- (b) Deferred tax assets (at gross) have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits therefrom.

	Group	
	2024	2023
	RM	RM
Unabsorbed capital allowances	76,530	119,878
Unabsorbed tax losses	9,473,626	7,911,091
Other temporary differences	(3,001,321)	(2,519,354)
	<u>6,548,835</u>	<u>5,511,615</u>

Unabsorbed tax losses' expiry dates (at gross) for which no deferred tax assets recognised are as follow:

	Group	
	2024	2023
	RM	RM
<u>Expiry date</u>		
Year of assessment 2028	856,310	856,310
Year of assessment 2029	724,892	724,892
Year of assessment 2030	515,680	515,680
Year of assessment 2031	2,805,310	2,805,310
Year of assessment 2032	2,273,621	2,945,046
Year of assessment 2033	63,853	63,853
Year of assessment 2034	2,233,960	-
	<u>9,473,626</u>	<u>7,911,091</u>

12. GOODWILL ON CONSOLIDATION

	Group	
	2024	2023
	RM	RM
At beginning/At end of the financial year	<u>13,216,398</u>	<u>13,216,398</u>

Goodwill is initially measured at cost. Subsequent to initial recognition, goodwill is measured at cost less accumulated share losses, if any.

12. GOODWILL ON CONSOLIDATION (continued)

- (a) Goodwill has been allocated to the CGUs of the Group that has been identified according to business segments as follows:

	2024 RM	2023 RM
Engineering, Procurement, Construction and Commissioning ("EPCC")	7,544,540	7,544,540
Telecommunication structure services	5,671,858	5,671,858
	<u>13,216,398</u>	<u>13,216,398</u>

- (b) For the purpose of impairment testing, goodwill is allocated from the acquisition date, to each of the CGU of the Group that are expected to benefit from the synergies of the combination.

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. The Directors are of the opinion that since all CGUs are held on a long-term basis, the value-in-use would best reflect their recoverable amount. Value-in-use is determined by discounting future cash flows over five (5) years period. Future cash flows are based on business plans, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each CGU.

There remains a risk that the ability to achieve these business plans of the management may be adversely affected due to unforeseen changes in the respective economies in which the CGUs operate.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the CGUs and management's assessment of future trends based on the following key assumptions:

	EPCC		Telecommunication structure services	
	2024 %	2023 %	2024 %	2023 %
Revenue growth rates	27.2	1.0	23.3	25.9
Gross profit margin	8.9	8.4	85.3	52.7
Pre-tax discount rates	9.2	8.1	15.1	7.1
Terminal growth rate	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

The following describes each key assumption on which the Directors have used in the cash flow projections for the purpose of impairment testing of goodwill:

- (i) Revenue growth rates - Based on the average annual revenue growth rate obtained from financial budgets approved by management.
- (ii) Gross profit margin - Based on the average forecasted margin for project/business.
- (iii) Pre-tax discount rates - Based on the industry weighted average cost of capital. The discount rate used is pre-tax and reflects specific risks relating to the relevant segments.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on external and internal sources. The management is not aware of any reasonably possible change in above key assumptions that would cause the carrying amounts of the CGU to materially exceed their recoverable amounts.

13. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Other receivables					
Subsidiaries	(e)	-	-	29,429,361	33,041,865
Deposits		-	16,813	-	-
		-	16,813	29,429,361	33,041,865
Current					
Trade receivables					
Third parties	(b)	70,091,066	115,191,225	-	-
Retention sums	(d)	49,747,885	54,515,107	-	-
Related party	(b)	87,067	-	-	-
		119,926,018	169,706,332	-	-
Less: Impairment losses					
- Third parties		(17,451,390)	(2,435,136)	-	-
- Retention sums		(393,570)	(393,570)	-	-
		(17,844,960)	(2,828,706)	-	-
		102,081,058	166,877,626	-	-
Other receivables					
Third parties		8,358,438	10,220,249	-	-
Subsidiaries	(e)	-	-	4,900	14,249,559
Related parties	(e)	-	220,786	-	-
Deposits		12,955,842	8,021,083	51,000	51,000
Value-added tax receivable		186,664	175,863	-	-
Goods and services tax receivable		35,415	37,027	-	-
		21,536,359	18,675,008	55,900	14,300,559
Less: Impairment losses					
- Third parties		(6,141)	(3,394,423)	-	-
- Deposits		(6,701,291)	(6,700,623)	-	-
		(6,707,432)	(10,095,046)	-	-
		14,828,927	8,579,962	55,900	14,300,559
Total receivables		116,909,985	175,457,588	55,900	14,300,559
Prepayments		12,079,627	9,256,206	17,990	38,076

13. TRADE AND OTHER RECEIVABLES (continued)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total trade and other receivables (current)	<u>128,989,612</u>	<u>184,713,794</u>	<u>73,890</u>	<u>14,338,635</u>
Total trade and other receivables (non-current and current)	<u><u>128,989,612</u></u>	<u><u>184,730,607</u></u>	<u><u>29,503,251</u></u>	<u><u>47,380,500</u></u>

- (a) Total trade and other receivables excluding prepayments are classified as financial assets and measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group are 14 to 180 days (2023: 14 to 180 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Trade receivables balance of the Group pledged as collateral for banking facilities granted to a subsidiary is RM2,347,207 (2023: RM1,916,326).
- (d) Retention sums are due upon the expiry of the defect liability period stated in the respective construction contracts. The defect liability periods range from 12 to 24 months (2023: 12 months).
- (e) Amounts due from subsidiaries of the Company represent unsecured cash advances which are receivable on demand except for advances of RM29,429,361 (2023: RM42,854,786) which have repayment terms ranging from two (2) years to eight (8) years (2023: one (1) year to nine (9) years) and subject to interest rates of 7.00% (2023: 3.80% to 7.00%) per annum.

In the previous financial year, amounts due from related parties represented interest-free, unsecured cash advances which were receivable on demand.

- (f) Recognition and measurement of impairment losses

The Group applies the simplified approach to measure expected credit loss (“ECL”). This entails recognising a lifetime expected loss allowance for all trade receivables that do not contain a significant financing component.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset’s original effective interest rate of the asset.

13. TRADE AND OTHER RECEIVABLES (continued)

(f) Recognition and measurement of impairment losses (continued)

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers based on grouping of customers sharing the same credit risk characteristics and past due days. Expected loss rates are calculated using the roll rate method. The expected loss rates are based on the Group's historical credit losses experience over the five (5) years period prior to the period end.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward-looking information (gross domestic product ("GDP") and base lending rate) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for other financial assets is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the other financial assets. The Group defined significant increase in credit risk based on operating performance of the receivables, payment trends and past due information. For those in which the credit risk has not increased significantly since initial recognition of the other financial assets, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for other financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment by other financial assets is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for the other financial assets.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

13. TRADE AND OTHER RECEIVABLES (continued)

(f) Recognition and measurement of impairment losses (continued)

Lifetime expected loss provision for trade receivables of the Group are as follows:

Group	Gross carrying amount RM	Lifetime expected credit losses RM	Net carrying amount RM
2024			
Collective assessment			
Not past due	77,802,429	(11,692)	77,790,737
Past due			
1 to 30 days	7,171,613	(58,642)	7,112,971
31 to 60 days	3,951,627	(27,297)	3,924,330
Over 60 days	3,532,450	(131,218)	3,401,232
	<u>14,655,690</u>	<u>(217,157)</u>	<u>14,438,533</u>
Individual assessment	<u>92,458,119</u>	<u>(228,849)</u>	<u>92,229,270</u>
	<u>27,467,899</u>	<u>(17,616,111)</u>	<u>9,851,788</u>
	<u>119,926,018</u>	<u>(17,844,960)</u>	<u>102,081,058</u>
2023			
Collective assessment			
Not past due	153,119,434	-	153,119,434
Past due			
1 to 30 days	6,026,473	(68,144)	5,958,329
31 to 60 days	3,310,795	(23,412)	3,287,383
Over 60 days	5,123,696	(611,216)	4,512,480
	<u>14,460,964</u>	<u>(702,772)</u>	<u>13,758,192</u>
Individual assessment	<u>167,580,398</u>	<u>(702,772)</u>	<u>166,877,626</u>
	<u>2,125,934</u>	<u>(2,125,934)</u>	<u>-</u>
	<u>169,706,332</u>	<u>(2,828,706)</u>	<u>166,877,626</u>

13. TRADE AND OTHER RECEIVABLES (continued)

- (g) The movements of accumulated impairment losses of trade and other receivables are as follows:

	2024 RM	Group 2023 RM
Trade receivables		
At 1 January	2,828,706	5,497,518
Charge for the financial year	15,522,596	103,396
Reversal of impairment losses	(377,770)	(140,209)
Written off during the financial year	-	(2,631,999)
Disposal of a subsidiary	(128,572)	-
At 31 December	17,844,960	2,828,706
Individually impaired	17,616,111	2,125,934
Collectively impaired	228,849	702,772
Total	17,844,960	2,828,706

	12-month ECL RM	Group Lifetime ECL RM	Total RM
Other receivables			
At 1 January 2024	166,828	9,928,218	10,095,046
Charge for the financial year	3,080	-	3,080
Reversal of impairment losses	(1,176)	(136,152)	(137,328)
Written off during the financial year	-	(3,253,366)	(3,253,366)
At 31 December 2024	168,732	6,538,700	6,707,432
At 1 January 2023	175,304	12,524,699	12,700,003
Charge for the financial year	2,496	140,022	142,518
Reversal of impairment losses	(10,972)	-	(10,972)
Written off during the financial year	-	(2,736,503)	(2,736,503)
At 31 December 2023	166,828	9,928,218	10,095,046

13. TRADE AND OTHER RECEIVABLES (continued)

- (h) Included in prepayments are deposits to suppliers for the purchase of inventories amounted to RM8,699,328 (2023: RM3,574,432).
- (i) Currency exposure profile of trade and other receivables are disclosed in Note 32(d) to the financial statements.
- (j) Information on financial risks of trade and other receivables are disclosed in Note 32 to the financial statements.

14. CONTRACT ASSETS/(LIABILITIES)

			Group
	Note	2024 RM	2023 RM
Non-current			
Contract assets:			
- Contract asset from a customer on concession agreement	(b)	<u>81,639,501</u>	<u>94,100,636</u>
Current			
Contract assets:			
- Contract asset from a customer on concession agreement	(b)	5,514,108	5,416,436
- Construction contracts	(c)	60,663,415	24,160,071
- Contract costs	(d)	<u>561,615</u>	<u>835,700</u>
		<u>66,739,138</u>	<u>30,412,207</u>
		<u>148,378,639</u>	<u>124,512,843</u>
Contract liabilities:			
- Construction contracts	(c)	(2,713,730)	(33,612,432)
- Customers deposits	(e)	(5,799,776)	(14,270,386)
- Deferred income	(f)	<u>-</u>	<u>(1,855,000)</u>
		<u>(8,513,506)</u>	<u>(49,737,818)</u>

- (a) The movements of the accumulated impairment losses of contract assets are as follows:

		Group
	2024 RM	2023 RM
At 1 January		
Brought forward	-	10,342,231
Written off	<u>-</u>	<u>(10,342,231)</u>
At 31 December	<u>-</u>	<u>-</u>

14. CONTRACT ASSETS/(LIABILITIES) (continued)

(b) Contract asset from a customer on concession agreement

The amount, being the financial asset arising from the above concession agreement represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. It carries interest at a rate of 9.92% (2023: 9.92%) per annum and repayable in the form of availability charge upon fulfilment of the terms and conditions in the concession agreement.

(c) Construction contracts

Contract assets primarily relate to the rights to consideration for work completed on construction contracts but not yet billed as at the reporting date.

Contract liabilities consist of advance billings in excess of revenue recognised, typically resulting from the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect the physical completion of the contracts.

(d) Contract costs

Contract costs relate to the cost generate or enhance resources of the Group that will be used in satisfying performance obligation in the future.

(e) Customers deposits

Customers deposits relate to deposits made by customers for the construction projects which are partially performed or have yet to be performed by the Group as at the reporting date. The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

(f) Deferred income

In the previous financial year, deferred income represented the advance billing issued to a customer for trading of steel tower.

(g) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM200,110,885 (2023: 182,842,861). The Company expects to recognise this revenue over the next 12 to 24 months (2023: 12 to 24 months).

14. CONTRACT ASSETS/(LIABILITIES) (continued)

- (h) Significant changes to the contract assets and contract liabilities balance during the financial year are as follows:

	Group	
	2024	2023
	RM	RM
Contract liabilities at the beginning of the year recognised as revenue	<u>26,215,129</u>	<u>31,662,845</u>

15. INVENTORIES

	Group	
	2024	2023
	RM	RM
At cost		
Raw materials	48,457,796	45,335,626
Work-in-progress	3,785,656	4,110,038
Finished goods	24,235,926	32,456,643
Accessories and consumables	<u>8,587,861</u>	<u>15,269,990</u>
	<u>85,067,239</u>	<u>97,172,297</u>
At net realisable value:		
Raw materials	2,516,324	6,727,819
Finished goods	427,207	1,088,734
Accessories and consumables	<u>1,389,445</u>	<u>-</u>
	<u>4,332,976</u>	<u>7,816,553</u>
Total	<u>89,400,215</u>	<u>104,988,850</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	73,905,341	46,668,366
Inventories written down	6,741,968	465,975
Reversal of inventories written down	<u>(456,153)</u>	<u>(487,883)</u>

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost of raw materials is determined using weighted average method and finished goods include direct materials, direct labour and an appropriate proportion of manufacturing overheads. Cost includes the original purchase price plus direct cost of bringing these inventories to their present condition and location.

15. INVENTORIES (continued)

- (c) Inventories are written down to net realisable value when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management exercises significant judgements and made significant estimates in writing down inventories to their net realisable values, which involve management specifically analyses ageing and specifications of inventories to evaluate the adequacy of write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

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

16. CASH AND BANK BALANCES, DEPOSITS AND PLACEMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash at hand and banks	60,741,423	76,661,893	801,102	2,850,597
Deposits with financial institutions	29,985,325	18,911,015	-	-
Deposits with fund management corporations	164,031	8,104,222	105,261	102,072
	<u>90,890,779</u>	<u>103,677,130</u>	<u>906,363</u>	<u>2,952,669</u>

- (a) Cash at hand and banks and deposits with financial institutions are classified as financial assets measured at amortised cost.
- (b) Deposits with fund management corporations of the Group and of the Company represent money market deposits and are classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss.

The fair value is categorised as Level 1 in the fair value hierarchy which derived from quoted prices (unadjusted) in active markets for identical assets. There is no transfer between levels in the hierarchy during the financial year.

- (c) The Group's deposits with financial institutions amounting to RM23,495,320 (2023: RM12,208,106) are pledged to the banks to secure the banking facilities granted to the subsidiaries.

Cash and bank balances pledged as securities for banking facilities granted to the Group and to the Company are RM30,675,059 (2023: RM32,407,448) and RM106,500 (2023: RM106,500) respectively. These are as disclosed in Note 19 to the financial statements.

- (d) Deposits with financial institutions of the Group have an average maturity period ranging from 31 to 186 days (2023: 31 to 186 days).

16. CASH AND BANK BALANCES, DEPOSITS AND PLACEMENTS (continued)

- (e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
As reported in statements of financial position	90,890,779	103,677,130	906,363	2,952,669
Less: Deposits with financial institutions and bank balances pledged	(54,170,379)	(44,615,554)	(106,500)	(106,500)
Less: Deposits with financial institutions with maturity of more than 3 months	<u>(6,490,005)</u>	<u>(6,702,909)</u>	<u>-</u>	<u>-</u>
As reported in statements of cash flows	<u>30,230,395</u>	<u>52,358,667</u>	<u>799,863</u>	<u>2,846,169</u>

- (f) No expected credit losses were recognised arising from the cash at banks and deposits with financial institutions because of the probability of default by these financial institutions were negligible.
- (g) Currency exposure profile of cash and bank balances, deposits and placements are disclosed in Note 32(d) to the financial statements.
- (h) Information on financial risks of cash and bank balances, deposits and placements are disclosed in Note 32 to the financial statements.

17. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares	RM	Number of shares	RM
Issued and fully paid ordinary shares with no par value:				
At 1 January/31 December	<u>472,657,651</u>	<u>299,484,409</u>	<u>472,657,651</u>	<u>299,484,409</u>

The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

18. OTHER RESERVES

	Group	
	2024	2023
	RM	RM
Non-distributable		
Reserve upon consolidation	(104,798,778)	(104,798,778)
Exchange translation reserve	(4,584,879)	(2,974,534)
	<u>(109,383,657)</u>	<u>(107,773,312)</u>

(a) Reserve upon consolidation

Reserve upon consolidation represents the capital reserve arising from the consolidation of subsidiaries, where the Group's share of net assets exceeds the share capital at the time of acquisition or restructuring. It also includes reserves arising from group reorganisation under common control and other capital transactions within the Group.

(b) Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, whereby the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

19. BORROWINGS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-current				
Secured:				
Term loans	53,814,208	53,000,547	4,125,000	6,000,000
Unsecured:				
Term loans	<u>9,730,643</u>	<u>3,831,577</u>	<u>-</u>	<u>-</u>
	<u>63,544,851</u>	<u>56,832,124</u>	<u>4,125,000</u>	<u>6,000,000</u>

19. BORROWINGS (continued)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Secured:				
Term loans	10,980,089	13,989,013	1,500,000	1,125,000
Revolving credit	16,061,310	13,639,550	-	-
Trust receipts	1,588,780	3,635,000	-	-
Bankers' acceptances	6,232,810	24,318,595	-	-
Unsecured:				
Term loans	440,693	401,182	-	-
Bankers' acceptances	25,637,240	21,219,564	-	-
Revolving credit	8,052,136	7,000,000	5,000,000	5,000,000
	<u>68,993,058</u>	<u>84,202,904</u>	<u>6,500,000</u>	<u>6,125,000</u>
Total borrowings				
Term loans	74,965,633	71,222,319	5,625,000	7,125,000
Revolving credit	24,113,446	20,639,550	5,000,000	5,000,000
Trust receipts	1,588,780	3,635,000	-	-
Bankers' acceptances	31,870,050	45,538,159	-	-
	<u>132,537,909</u>	<u>141,035,028</u>	<u>10,625,000</u>	<u>12,125,000</u>

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) Secured borrowings of the Group are secured by the following:
- First party legal charge over certain properties of the Group as disclosed in Notes 5 and 6 to the financial statements;
 - Joint and several guarantee of the two former Directors of a subsidiary;
 - Corporate guarantee by the Company and a subsidiary;
 - Charge over the shares of investment in an associate as disclosed in Note 9 to the financial statements;
 - Debenture over fixed and floating charge of all present and future assets of a subsidiary;
 - Certain cash and bank balances and deposits with financial institutions of the Group as disclosed in Note 16 to the financial statements;
 - First ranking legal charge on the machine, equipment and all others above the project land related to the project PLTM Lawe Sikap;
 - Assignment of proceeds in favour of Financiers in relation to the Power Purchase Agreement ("PPA") including receivables, any amendments, supplements, extension or variation there to PPA;
 - A first ranking charge over all the stockholders of a subsidiary;

19. BORROWINGS (continued)

- (b) Secured borrowings of the Group are secured by the following: (continued)
- (x) Assignment over all rights, interest and benefit of a subsidiary of all takaful/insurance(s) in relation to the project PLTM Lawe Sikap;
 - (xi) Assignment over all rights, interest and benefit of a subsidiary of all performance/advance payment bond(s), guarantee(s), liquidated damage(s) and warranty(ies) in favor of the project PLTM Lawe Sikap;
 - (xii) Legal Deed of Assignment over the Power Plant and Machineries financed by Bank Muamalat;
 - (xiii) Charge over the subsidiary's Designated Accounts and the credit Balance therein;
 - (xiv) Corporate guarantee by the subsidiary's Stockholder;
 - (xv) Irrevocable Letter of Undertaking by the Company, stated that the Company will be responsible for, include without limitation to cover cost overrun, cash deficiency, obligations to the Bank Muamalat during financing tenure; and
 - (xvi) Certain trade receivables balance as disclosed in Note 13 to the financial statements.
 - (xvii) Assignment of contract proceeds in favour of the Financier in relation to the RTS Link Project.
- (c) Secured borrowings of the Company are secured by the following:
- (i) Corporate guarantee by a subsidiary; and
 - (ii) Certain cash and bank balances of the Company as disclosed in Note 16 to the financial statements.
- (d) Currency exposure profiles of borrowings are disclosed in Note 32(d) to the financial statements.
- (e) Information on financial risks of borrowings is disclosed in Note 32 to the financial statements.

20. RETIREMENT BENEFITS

	Group	
	2024	2023
	RM	RM
Balance as at 1 January	3,765,872	2,815,409
Current service costs	302,486	519,434
Net interests	175,265	309,333
Remeasurements effect recognised in other comprehensive income	60,048	451,744
Benefit paid	(152,000)	(330,048)
Balance as at 31 December	<u>4,151,671</u>	<u>3,765,872</u>

- (a) The defined benefit plan provided by the Group to all eligible Malaysian employees on a discretionary lump sum payment basis upon their retirement with minimum of 10 years of service being attained. The defined benefit plan is unfunded, as benefits may be payable directly by the Group to the active participants subject to final approval of the Board of Directors being obtained.

20. RETIREMENT BENEFITS (continued)

- (b) The plan exposes the Group to actuarial risks such as interest rate risk and inflation risk as explained below:

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation. A decrease in market yield on high quality corporate bonds will increase the Group's defined benefit liability.

Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's liability.

- (c) Actuarial assumptions

The cost of providing post-employment benefits is calculated by an independent actuary and the latest actuarial valuation of the plan was carried out in 2023. The actuarial valuation was carried out using the following key assumptions:

	Group	
	2024	2023
Discount rate	4.6%	4.6%
Salary increment rate	-	-
Mortality rate	Malaysia Assured Life Table 2011-2015 (M1115)	Malaysia Assured Life Table 2011-2015 (M1115)
Disability rate	10% of Mortality	10% of Mortality
Resignation rate	Average 11% per annum across age 20 to 60 years old	Average 11% per annum across age 20 to 60 years old
Normal retirement age	60 years old	60 years old

The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions discount rate occurring at the end of the reporting period, while all other assumptions remained constant.

	Group			
	2024		2023	
	Increase 100 basis point	Decrease 100 basis point	Increase 100 basis point	Decrease 100 basis point
Effect on the defined benefits obligations	<u>(326,123)</u>	<u>326,123</u>	<u>(376,147)</u>	<u>376,147</u>

20. RETIREMENT BENEFITS (continued)

(c) Actuarial assumptions (continued)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation because it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statements of financial position.

(d) Defined benefit plan expenses

Amounts recognised in profit or loss related to the Group's defined benefit plan are as follows:

	Group	
	2024 RM	2023 RM
Current service costs	302,486	519,434
Net interests	175,265	309,333
	<hr/>	<hr/>
Total expenses recognised in profit or loss	<u>477,751</u>	<u>828,767</u>

Amounts recognised in other comprehensive income related to the Group's defined benefit plan are as follows:

	Group	
	2024 RM	2023 RM
Effect of experience adjustments/Total expense recognised in other comprehensive income	60,048	451,744
	<hr/>	<hr/>

The net expense summarised above were included within items that will not be reclassified subsequently to profit or loss.

(e) Other information on the defined benefit plan

The weighted average duration of the benefit obligation is 36 years (2023: 35 years). The Group did not expect to make any benefit payment in the next financial year.

21. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables					
Third parties		45,866,993	62,030,577	-	-
Related parties		1,936,903	-	-	-
Retention sums		14,187,273	9,427,411	-	-
	(b)	61,991,169	71,457,988	-	-
Other payables					
Third parties		15,417,612	8,553,970	1,775	5,515
Subsidiaries	(c)	-	-	28,350,917	38,272,213
Related party	(d)	-	12,318,748	-	-
Deposits received from customers		20,020,140	70,642	-	-
Accruals		31,994,609	25,547,020	241,203	902,097
Deposits received		2,500	11,900	-	-
Goods and services tax payable		144,400	144,400	-	-
		67,579,261	46,646,680	28,593,895	39,179,825
		129,570,430	118,104,668	28,593,895	39,179,825

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) The normal trade credit terms granted to the Group ranged from 7 to 90 days (2023: 7 to 90 days) from date of invoice. These amounts are non-interest bearing.
- (c) Amounts due to subsidiaries of the Company represent unsecured and interest-free cash advances which are repayable on demand except for an amount of RM28,350,053 (2023: 38,272,213) which is subjected to interest rate at 7% (2023: 7%) per annum.
- (d) In the previous financial year, amount due to a related party of the group represented unsecured cash advances which was repayable on demand and subjected to interest rates ranging from 3.80% to 7.50% per annum.
- (e) Currency exposure profiles of trade and other payables are disclosed in Note 32(d) to the financial statements.
- (f) Information on financial risks of trade and other payables are disclosed in Note 32 to the financial statements.

22. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Primary geographical markets</u>				
Malaysia	295,143,849	278,167,452	-	5,470,184
Bangladesh	12,981,060	31,204,913	-	-
Cambodia	7,147,870	3,261,151	-	-
Indonesia	7,408,314	6,679,714	-	-
Nepal	5,566,364	44,967,489	-	-
	<u>328,247,457</u>	<u>364,280,719</u>	<u>-</u>	<u>5,470,184</u>
<u>Revenue from contract with customers</u>				
Sales of fabrication of towers	102,871,045	121,917,810	-	-
EPCC	202,635,815	230,240,143	-	-
Concession income	7,408,313	6,679,714	-	-
Others	15,332,284	5,443,052	-	-
	<u>328,247,457</u>	<u>364,280,719</u>	<u>-</u>	<u>-</u>
<u>Revenue from other sources</u>				
Dividend income	-	-	-	5,470,184
	<u>328,247,457</u>	<u>364,280,719</u>	<u>-</u>	<u>5,470,184</u>
<u>Timing and recognition</u>				
At a point in time	111,055,458	124,099,711	-	-
Over time	217,191,999	240,181,008	-	-
	<u>328,247,457</u>	<u>364,280,719</u>	<u>-</u>	<u>-</u>

(a) Sales of fabrication

Revenue relating to sale of goods is recognised net of sales returns and discount upon the transfer of control of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

There is no right of return and warranty provided to the customers on the sale of goods rendered.

There is no significant financing component in the revenue arising from sale of goods rendered as the sales are made on the normal credit terms not exceeding twelve months.

(b) EPCC

The Group recognises revenue from construction of EPCC over time if it creates an asset with no alternative use to the Group and has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's effort or inputs to the satisfaction of the performance obligation (e.g. by reference to the contract costs incurred to date as a percentage of the estimated total contract costs of the contract, i.e. the stage of completion).

22. REVENUE (continued)

(c) Concession income

Under the concession arrangement, the Group is engaged to construct the infrastructure project and provide asset management services, which are separate performance obligations. The fair value of revenue, which is based on fixed price under the agreement have been allocated based on relative standalone selling price of the consideration for each of separate performance obligation. The Group recognised construction revenue over time as the project being constructed has no alternative use to the Group and it has an enforceable right to the payment for the performance completed to date.

(d) Included under “others” are the following:

(i) Galvanising services

Revenue in respect of rendering of galvanising services is recognised at point in time when the services have been rendered to the customers. There is no right of return and warranty provided to the customers on the services rendered. The performance obligation is satisfied upon delivering of products and customer acceptance.

(ii) Telecommunication structure services

Under the service arrangement, the Group is engaged to provide access to telecommunication infrastructure, including tower space and related support services. This represents a distinct performance obligation as the customer obtains the benefit of the access and services throughout the contract term. The consideration is based on fixed monthly charges stipulated in the agreement. The Group recognises revenue over time as the customer simultaneously receives and consumes the benefits of the services rendered. The performance obligation is satisfied continuously over the lease period, and the Group has a right to payment for services provided to date.

23. FINANCE INCOME

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest income arising from:				
- Cash at banks	456,855	636,383	1,725	-
- Deposits with financial institutions	739,784	248,781	-	-
- Deposits with fund management corporation	58,770	4,648	3,189	4,648
- Contract with a customer on concession arrangement	9,538,060	10,411,843	-	-
- Subsidiaries	-	-	3,249,028	2,629,231
	<u>10,793,469</u>	<u>11,301,655</u>	<u>3,253,942</u>	<u>2,633,879</u>

Interest income is recognised as on a time proportion basis that reflects the effective yield on assets.

24. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense:				
- Bank overdraft	20,655	30,271	-	-
- Trust receipts	184,414	864,399	-	-
- Bankers' acceptance	2,211,975	1,672,245	-	-
- Bank guarantees	3,192,867	1,654,989	-	-
- Lease liabilities	547,989	131,147	-	-
- Term loans	6,552,111	5,273,215	361,856	207,300
- Revolving credit	1,203,372	1,191,180	242,577	259,459
- Subsidiaries	-	-	2,506,856	3,170,584
- Related party	-	332,466	-	-
- Others	484,189	833,557	-	-
	<u>14,397,572</u>	<u>11,983,469</u>	<u>3,111,289</u>	<u>3,637,343</u>

25. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is arrived at:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Auditors' remuneration:				
- Charge for the financial year	313,000	331,000	78,000	77,000
- Other auditors	94,790	48,470	-	-
- Other services	4,000	62,100	4,000	3,700
Bad debts written off	99,996	29,714	-	-
Net loss on foreign exchange:				
- Realised	766,921	-	-	-
- Unrealised	9,835,736	541,246	-	-
Expenses relating to short term leases and low value assets	8,962,444	5,686,340	-	-
Property, plant and equipment written off	202,964	67	-	-
Fair value loss on other investments	20,562	-	-	-
Impairment losses on receivables	15,525,676	245,914	-	-

25. PROFIT/(LOSS) BEFORE TAX (continued)

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is arrived at: (continued)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
And crediting:				
Gain on disposal of property, plant and equipment	256,117	732,222	-	-
Gain on disposal of right-of- use assets	2,832,836	138,000	-	-
Gain on disposal of a subsidiary	2,203,500	-	-	-
Fair value gain on other investments	-	8,489	-	-
Reversal of impairment losses on receivables	515,098	151,181	-	-
Dividend income:				
- Quoted shares in Malaysia	3,040	100,355	-	-
- Subsidiary	-	-	-	5,470,184
Net gain on foreign exchange:				
- Realised	-	2,476,931	-	-

26. TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax:				
- current year	4,703,582	5,204,107	194,880	286,000
- (over)/under provision in financial years	(121,575)	(435,808)	38,897	34,384
	4,582,007	4,768,299	233,777	320,384
Deferred tax: (Note 11)				
- current year	3,205,033	3,174,664	-	-
- over provision in prior financial years	(508,731)	(154,000)	-	-
	2,696,302	3,020,664	-	-
	7,278,309	7,788,963	233,777	320,384

26. TAX EXPENSE (continued)

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit/(loss) for the fiscal year.
- (b) The numerical reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rates of the Group and of the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	<u>1,840,713</u>	<u>14,676,899</u>	<u>(1,075,729)</u>	<u>3,269,834</u>
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	441,771	3,522,456	(258,175)	784,760
Tax effects in respect of:				
Non-taxable income	(2,487,912)	(1,355,648)	(323,761)	(1,504,758)
Non-allowable expenses	9,705,823	11,006,451	776,816	1,005,998
Movement of deferred tax assets not recognised	248,933	27,120	-	-
Effect of change in tax rate in other countries	<u>-</u>	<u>(4,821,608)</u>	<u>-</u>	<u>-</u>
	7,908,615	8,378,771	194,880	286,000
(Over)/Under provision in prior years				
- income tax	(121,575)	(435,808)	38,897	34,384
- deferred tax	<u>(508,731)</u>	<u>(154,000)</u>	<u>-</u>	<u>-</u>
	<u>7,278,309</u>	<u>7,788,963</u>	<u>233,777</u>	<u>320,384</u>

27. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2024 RM	2023 RM
(Loss)/Profit attributable to equity holders of the parent (RM)	<u>(5,070,248)</u>	<u>3,288,509</u>
Weighted average number of ordinary shares in issue	<u>472,657,651</u>	<u>472,657,651</u>
Basic (loss)/earnings per ordinary share (sen)	<u>(1.07)</u>	<u>0.70</u>

27. (LOSS)/EARNINGS PER SHARE (continued)

(b) Diluted

Diluted (loss)/earnings per ordinary share equals basic (loss)/earnings per ordinary share as there are no dilutive potential ordinary shares.

28. EMPLOYEE BENEFITS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages and other emoluments	37,057,521	34,692,655	229,900	244,050
Defined contribution plan	3,064,019	3,163,238	-	-
Retirement benefits	509,344	828,767	-	-
Fees	251,380	231,214	234,264	231,214
	<u>40,882,264</u>	<u>38,915,874</u>	<u>464,164</u>	<u>475,264</u>

Included in the employee benefits expenses is the Directors' remuneration as below:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors:				
Salaries and other emoluments	1,032,539	1,089,553	-	-
Defined contribution plan	57,741	31,357	-	-
Fees	17,116	-	-	-
Total executive Directors' remuneration (excluding benefits-in-kind)	1,107,396	1,120,910	-	-
Benefits-in-kind	28,450	42,310	-	-
	<u>1,135,846</u>	<u>1,163,220</u>	<u>-</u>	<u>-</u>
Non-executive Directors:				
Salaries and other emoluments	229,900	244,050	229,900	244,050
Fees	234,264	231,214	234,264	231,214
Total non-executive Directors' remuneration	<u>464,164</u>	<u>475,264</u>	<u>464,164</u>	<u>475,264</u>
Total	<u>1,600,010</u>	<u>1,638,484</u>	<u>464,164</u>	<u>475,264</u>

29. RELATED PARTY DISCLOSURES

(a) Identities 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 operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with the related parties during the financial year:

	2024 RM	2023 RM
Group		
Related parties:		
- sales	(169,407)	(20,900)
- purchases	7,854,825	46,640
- rental income	(226,000)	(198,000)
- rental expenses	1,246,849	1,161,720
- maintenance income	-	(3,979)
- interest expense	-	332,466
	<u>-</u>	<u>332,466</u>
Associate:		
- sales	-	5,322,450
	<u>-</u>	<u>5,322,450</u>
Company		
Subsidiaries:		
- interest income	(3,249,028)	(2,629,231)
- interest expense	2,506,856	3,170,584
- dividend received	-	5,470,184
	<u>-</u>	<u>5,470,184</u>

(c) Related party balances

Outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 13 and 21 to the financial statements respectively.

(d) Compensation of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and entity that provides key management personnel services to the Group and to the Company.

Key management personnel includes all the Directors of the Group and of the Company and certain members of senior management of the Group and of the Company.

29. RELATED PARTY DISCLOSURES (continued)

(d) Compensation of key management personnel (continued)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors:				
Salaries and other emoluments	1,262,439	1,333,603	229,900	244,050
Defined contribution plan	57,741	31,357	-	-
Fees	<u>251,380</u>	<u>231,214</u>	<u>234,264</u>	<u>231,214</u>
Total Directors' remuneration (excluding benefits-in-kind)	1,571,560	1,596,174	464,164	475,264
Benefits-in-kind	<u>28,450</u>	<u>42,310</u>	<u>-</u>	<u>-</u>
	<u><u>1,600,010</u></u>	<u><u>1,638,484</u></u>	<u><u>464,164</u></u>	<u><u>475,264</u></u>
Other key management personnel:				
Salaries and other emoluments	2,350,357	3,149,536	-	-
Defined contribution plan	<u>279,481</u>	<u>444,211</u>	<u>-</u>	<u>-</u>
	<u>2,629,838</u>	<u>3,593,747</u>	<u>-</u>	<u>-</u>
	<u><u>4,229,848</u></u>	<u><u>5,232,231</u></u>	<u><u>464,164</u></u>	<u><u>475,264</u></u>

30. OPERATING SEGMENT

For management purposes, the Group is organised into three business units based on their products and services, which comprises the following:

Business segments	Business activities
Fabrication of towers - Power transmission - Telecommunication	Design and fabrication of power transmission towers and telecommunication towers.
Engineering, Procurement, Construction and Commissioning ("EPCC")	Mechanical and electrical engineering, procurement, erection/construction of power transmission towers and telecommunication towers, and water treatment, water supply and sewerage treatment plants.
Concession	Construction, operation and maintenance of infrastructure facilities under concession basis (i.e. mini-hydro power plant).

30. OPERATING SEGMENT (continued)

For management purposes, the Group is organised into three business units based on their products and services, which comprises the following: (continued)

Business segments	Business activities
Investment holdings	Investment holding
Others	Civil and infrastructure related works, fabrication services for other steel work and products, design and fabrication of substation electrical structures, operation of a hot-dip galvanising plant, and engineering design services.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

30. OPERATING SEGMENT (continued)

Business segments

Group 2024	Note	<- Fabrication of towers -> Power transmission RM	Telecommu- nication RM	EPCC RM	Concession RM	Investment holdings RM	Others RM	Group adjustments RM	Total RM
Revenue									
External revenue		90,031,732	12,839,313	202,635,814	7,408,313	-	15,332,285	-	328,247,457
Inter-segment revenue	(a)	4,198,586	613,828	35,495,995	-	-	19,041,071	(59,349,480)	-
Total revenue		94,230,318	13,453,141	238,131,809	7,408,313	-	34,373,356	(59,349,480)	328,247,457
Results									
Finance costs		(2,614,705)	-	(7,974,825)	(6,274,415)	(3,278,652)	(3,276,914)	9,021,939	(14,397,572)
Finance income		5,880,986	-	930,367	9,721,474	3,250,754	1,827	(8,991,939)	10,793,469
Depreciation of intangible asset		-	-	(2,981)	-	-	-	-	(2,981)
Depreciation of property, plant equipment		(2,254,122)	-	(375,084)	(16,384)	(68)	(1,675,154)	-	(4,320,812)
Depreciation of right-of-use assets		(2,618,309)	-	(604,402)	-	-	(220,477)	-	(3,443,188)
Other non-cash expenses	(b)	(7,503,941)	-	(13,919,466)	(3,958,255)	-	(1,256,247)	-	(26,637,909)
Share of an associate's result		-	-	-	-	-	-	2,546,636	2,546,636
Tax expense		(584,570)	(83,458)	(5,874,349)	(430,899)	(233,777)	(71,256)	-	(7,278,309)
Segment results	(c)	9,472,755	-	(486,340)	(2,852,864)	(1,299,538)	(376,227)	(8,837,915)	(4,380,129)
Assets									
Segment assets	(d)	275,928,353	-	298,866,070	105,324,469	453,571,278	62,494,527	(577,513,945)	618,670,752
Included in segment assets are:									
Investment in an associate		-	-	56,435,330	-	-	-	-	56,435,330
Additions to non-current assets other than financial instruments.									
investment in an associate and deferred tax assets	(e)	11,419,789	-	1,629,787	695,303	-	30,055,054	-	43,799,933

30. OPERATING SEGMENT (continued)

Business segments

Group 2024 (continued)	Note	<- Fabrication of towers -> Power transmission RM	Telecommu- nication RM	EPCC RM	Concession RM	Investment holdings RM	Others RM	Group adjustments RM	Total RM
Liabilities									
Segment liabilities	(f)	22,946,276	-	165,746,372	22,297,598	32,074,960	25,992,194	(126,821,792)	142,235,608
Group 2023									
Revenue									
External revenue		63,331,818	58,585,992	230,240,240	6,679,714	-	5,442,955	-	364,280,719
Inter-segment revenue	(a)	4,759,980	10,095,430	33,625,747	-	5,470,184	19,708,456	(73,659,797)	-
Total revenue		68,091,798	68,681,422	263,865,987	6,679,714	5,470,184	25,151,411	(73,659,797)	364,280,719
Results									
Finance costs		(2,945,895)	-	(6,551,600)	(5,505,536)	(3,698,549)	(1,556,989)	8,275,100	(11,983,469)
Finance income		5,735,299	-	677,509	10,499,613	2,633,879	455	(8,245,100)	11,301,655
Depreciation of property, plant equipment		(2,040,403)	-	(631,343)	(16,952)	(7,012)	(1,057,008)	-	(3,752,718)
Depreciation of right-of-use assets		(1,047,650)	-	(138,346)	-	-	(192,880)	-	(1,378,876)
Other non-cash (expenses)/income	(b)	(1,059,329)	-	(1,752,173)	1,295,145	-	402,170	549,993	(564,194)
Share of an associate’s result		-	-	-	-	-	-	1,997,774	1,997,774
Tax expense		(103,701)	(104,599)	(5,135,025)	(1,561,301)	(320,384)	(563,953)	-	(7,788,963)
Segment results	(c)	(1,028,249)	(1,037,152)	12,588,141	217,375	3,936,211	(2,638,947)	(6,465,400)	5,571,976
Assets									
Segment assets	(d)	295,406,377	-	308,051,889	116,259,379	360,733,512	408,048,207	(483,111,987)	1,005,387,377

30. OPERATING SEGMENT (continued)

Business segments

Group 2023 (continued)	Note	<-- Fabrication of towers -->		EPCC RM	Concession RM	Investment holdings RM	Others RM	Group adjustments RM	Total RM
		Power transmission RM	Telecommu- nication RM						
Included in segment assets are:									
Investment in an associate		-	-	53,888,694	-	-	-	-	53,888,694
Additions to non-current assets other than financial instruments, investment in an associate and deferred tax assets	(e)	3,120,428	-	193,121	25,330	-	10,686,131	(7)	14,025,003
Liabilities									
Segment liabilities	(f)	44,701,091	-	193,988,643	33,579,807	40,757,562	28,569,266	(169,988,011)	171,608,358

30. OPERATING SEGMENT (continued)

Business segments (continued)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- (a) Inter-segment revenues are eliminated on consolidation.
- (b) Other major non-cash income/(expenses) consist of the following items as presented in the respective notes to the financial statements:

	Group	
	2024	2023
	RM	RM
Impairment losses on receivables	(15,525,676)	(245,914)
Reversal of impairment losses on receivables	515,098	151,181
Bad debts written off	(99,996)	(29,714)
Dividend income	3,040	100,355
Gain on disposal of a subsidiary	2,203,500	-
Gain on disposal of property, plant and equipment	256,117	732,222
Net unrealised loss on foreign exchange	(9,835,736)	(541,246)
Fair value (loss)/gain on other investments	(20,562)	8,489
Gain on disposal of right-of-use assets	2,832,836	138,000
Retirement benefits	(477,751)	(828,767)
Inventories written down	(6,741,968)	(465,975)
Reversal of inventories written down	456,153	487,883
Property, plant and equipment written off	<u>(202,964)</u>	<u>(67)</u>

- (c) The following items are (deducted from)/added to segment (loss)/profit to arrive at (loss)/profit after tax presented in the consolidated statement of profit or loss and other comprehensive income:

	Group	
	2024	2023
	RM	RM
Segment (loss)/profit	(4,380,129)	5,571,976
Finance income	10,793,469	11,301,655
Finance costs	(14,397,572)	(11,983,469)
Share of an associate's result	<u>2,546,636</u>	<u>1,997,774</u>
(Loss)/Profit after tax	<u>(5,437,596)</u>	<u>6,887,936</u>

30. OPERATING SEGMENT (continued)

Business segments (continued)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements: (continued)

- (d) The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Group	
	2024 RM	2023 RM
Segment assets	618,670,752	644,653,865
Goodwill on consolidation	13,216,398	13,216,398
Deferred tax assets	4,510,897	7,207,199
Tax recoverable	11,476,950	9,904,563
	<u>647,874,997</u>	<u>674,982,025</u>

- (e) Additions to non-current assets other than financial instruments, investment in an associate and deferred tax assets consist of:

	Group	
	2024 RM	2023 RM
Property, plant and equipment	24,247,446	12,059,737
Right-of-use assets	19,445,156	1,965,266
Intangible asset	107,330	-
	<u>43,799,932</u>	<u>14,025,003</u>

- (f) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Group	
	2024 RM	2023 RM
Segment liabilities	142,235,607	171,608,358
Lease liabilities	19,073,613	3,197,246
Borrowings	132,537,909	141,035,028
Tax payable	1,857,212	1,757,076
	<u>295,704,341</u>	<u>317,597,708</u>

30. OPERATING SEGMENT (continued)

Major Customers

The following are major customers with revenue equal or more than 10 percent of the Group's revenue:

Group	RM	%	Operating Segment
2024			
Customer A	<u>85,009,960</u>	26	EPCC
2023			
Customer A	<u>74,215,000</u>	20	EPCC

Geographical Information

Revenue and non-current assets information based on the geographical location of the customers and assets respectively are as follows:

	Group		Group	
	2024	2023	2024	2023
	Revenue	Non-current	Revenue	Non-current
	RM	assets	RM	assets
	RM	RM	RM	RM
Malaysia*	295,143,849	71,013,411	278,167,452	63,754,075
Bangladesh	12,981,060	231,896	31,204,913	310,996
Cambodia	7,147,870	43,697,085	3,261,151	19,625,119
Indonesia	7,408,314	2,680,929	6,679,714	2,192,133
Nepal	5,566,364	-	44,967,489	-
Vietnam	-	56,435,330	-	53,888,694
	<u>328,247,457</u>	<u>174,058,651</u>	<u>364,280,719</u>	<u>139,771,017</u>

The amount of non-current assets consists of property, plant and equipment, right-of-use assets, intangible asset, investment in an associate and goodwill on consolidation.

*The Company's home country.

31. CAPITAL COMMITMENT

	Group	
	2024	2023
	RM	RM
In respect of purchase of property, plant and equipment		
Authorised and contracted for:	<u>1,753,908</u>	<u>1,572,414</u>

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overall financial risk management objective of the Group is to ensure that the Group creates value for its shareholders. The Group focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to the financial risk management policies of the Group.

The main risk arising from the financial instruments of the Group are credit risk, liquidity risk, interest rate risk and foreign currency risk. Management reviews and agrees policies for managing each of these risks and these are summarised below:

(a) Credit risk

Trade and other receivables, contract assets and cash and bank balances, deposits and placements may give rise to credit risk, which requires the loss to be recognised if a counter party failed to perform as contracted. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit. The credit period granted by the Group ranged from 14 to 180 days (2023: 14 to 180 days). Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

Financial assets

At the end of the reporting period, the maximum exposures to credit risk of the Group and of the Company are represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

Financial guarantees

At the end of the reporting period, the Directors are of the view that the chances of the third parties and financial institutions to call upon the guarantees are remote. The financial guarantees have not been recognised since the fair value was not material.

Maturity profile of financial guarantee contracts and bank guarantees of the Group and the Company as at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the Group and the Company on contractual obligations.

The maximum exposure of the Group and the Company to credit risk in relation to the financial guarantees given amounted to RM101,124,367 (2023: RM93,307,744) and RM39,514,023 (2023: RM32,953,853) respectively as at the end of the reporting period.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Credit risk concentration profile

The Group is not exposed to any significant credit risk exposure to any single counterparty other than the following:

Group	2024		2023	
	RM	%	RM	%
Trade receivables				
Malaysia				
Top 1 (2023: 1) customer	<u>13,212,423</u>	<u>11</u>	<u>38,667,996</u>	<u>23</u>
Bangladesh				
Top 1 (2023: 1) customer	<u>58,494,433</u>	<u>49</u>	<u>62,413,279</u>	<u>37</u>
Contract assets				
Malaysia				
Top 1 (2023: 1) customer	<u>38,955,371</u>	<u>26</u>	<u>12,342,550</u>	<u>10</u>
Indonesia				
Top 1 (2023: Nil) customer	<u>87,153,609</u>	<u>59</u>	<u>-</u>	<u>-</u>

(b) Liquidity risk

It is the policy of the Group to ensure continuity in servicing its cash obligations in the future by way of measuring and forecasting its cash commitments, monitoring and maintaining a level of cash and cash equivalents deemed adequate for the operations of the Group.

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2024				
Financial liabilities				
Borrowings	69,465,147	64,225,914	-	133,691,061
Lease liabilities	5,809,477	12,359,409	23,836,470	42,005,356
Trade and other payables	<u>129,570,430</u>	<u>-</u>	<u>-</u>	<u>129,570,430</u>
Total undiscounted financial liabilities	<u>204,845,054</u>	<u>76,585,323</u>	<u>23,836,470</u>	<u>305,266,847</u>
Financial guarantees	<u>101,124,367</u>	<u>-</u>	<u>-</u>	<u>101,124,367</u>

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Group	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2023				
Financial liabilities				
Borrowings	88,935,925	57,299,236	-	146,235,161
Lease liabilities	1,615,971	1,959,082	-	3,575,053
Trade and other payables	118,104,668	-	-	118,104,668
Total undiscounted financial liabilities	208,656,564	59,258,318	-	267,914,882
Financial guarantees	93,307,744	-	-	93,307,744
Company				
2024				
Financial liabilities				
Borrowings	6,786,173	4,452,055	-	11,238,228
Trade and other payables	28,593,895	-	-	28,593,895
Total undiscounted financial liabilities	35,380,068	4,452,055	-	39,832,123
Financial guarantees	39,514,023	-	-	39,514,023
2023				
Financial liabilities				
Borrowings	6,861,673	6,236,852	-	13,098,525
Trade and other payables	39,179,825	-	-	39,179,825
Total undiscounted financial liabilities	46,041,498	6,236,852	-	52,278,350
Financial guarantees	32,953,853	-	-	32,953,853

(c) Interest rate risk

Interest rate risk is caused by changes in market interest rate resulting in fluctuation in fair value or future cash flow of financial instruments of the Group and of the Company. The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

The Group's and the Company's placement in fixed rate deposits and their fixed rate borrowings are not exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's borrowings at variable interest rates are exposed to the risk of change in cash flow due to changes in interest rate. Investment in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") of the Group's and of the Company's financial instruments as at the reporting date and the periods in which they reprice or mature, whichever is earlier:

Group 2024	WAEIR %	Within 1 year RM	2 - 5 years RM	More than 5 years RM	Total RM
Financial asset					
<u>Fixed rate:</u>					
Deposits with financial institutions	1.92	29,985,325	-	-	29,985,325
Financial liabilities					
<u>Fixed rate:</u>					
Lease liabilities	6.61	4,751,410	8,786,435	5,535,768	19,073,613
Bankers' acceptances	4.84	31,870,050	-	-	31,870,050
Trust receipts	8.07	1,588,780	-	-	1,588,780
<u>Floating rate:</u>					
Term loans	5.32	11,420,782	63,544,851	-	74,965,633
Revolving credit	5.05	24,113,446	-	-	24,113,446
2023					
Financial asset					
<u>Fixed rate:</u>					
Deposits with financial institutions	2.88	18,911,015	-	-	18,911,015
Financial liabilities					
<u>Fixed rate:</u>					
Other payables	5.40	12,318,748	-	-	12,318,748
Lease liabilities	4.57	1,451,501	1,745,745	-	3,197,246
Bankers' acceptances	5.23	45,538,159	-	-	45,538,159
Trust receipts	8.07	3,635,000	-	-	3,635,000

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") of the Group's and of the Company's financial instruments as at the reporting date and the periods in which they reprice or mature, whichever is earlier: (continued)

Group (continued) 2023 (continued)	WAEIR %	Within 1 year RM	2 - 5 years RM	More than 5 years RM	Total RM
Financial liabilities (continued)					
<u>Floating rate:</u>					
Term loans	4.40	14,390,195	56,832,124	-	71,222,319
Revolving credit	5.87	20,639,550	-	-	20,639,550
Company					
2024					
Financial asset					
<u>Fixed rate:</u>					
Other receivables	7.00	-	29,429,361	-	29,429,361
Financial liabilities					
<u>Fixed rate:</u>					
Other payable	7.00	28,350,053	-	-	28,350,053
<u>Floating rate:</u>					
Term loan	5.73	1,500,000	4,125,000	-	5,625,000
Revolving credit	4.87	5,000,000	-	-	5,000,000
2023					
Financial asset					
<u>Fixed rate:</u>					
Other receivables	5.40	9,812,921	33,041,865	-	42,854,786
Financial liabilities					
<u>Fixed rate:</u>					
Other payable	7.00	38,272,213	-	-	38,272,213
<u>Floating rate:</u>					
Term loan	4.58	1,125,000	6,000,000	-	7,125,000
Revolving credit	5.46	5,000,000	-	-	5,000,000

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

Sensitivity analysis for fixed rate instruments

Sensitivity analysis for fixed rate instruments at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

Cash flows sensitivity analysis for floating rate instruments

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Floating rate instruments				
<u>Financial liability</u>				
Borrowings	<u>99,079,079</u>	<u>91,861,869</u>	<u>10,625,000</u>	<u>12,125,000</u>
Net financial liability	<u>99,079,079</u>	<u>91,861,869</u>	<u>10,625,000</u>	<u>12,125,000</u>

The following illustrates the sensitivity of (loss)/profit after tax and equity to a reasonably possible change in interest rates of +/- 25 (2023: +/-25) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Effect on (loss)/profit after tax and equity for the years			
	Increase/(Decrease)			
	Group		Company	
	+0.25%	-0.25%	+0.25%	-0.25%
	RM	RM	RM	RM
2024	(188,250)	188,250	(20,188)	20,188
2023	<u>(174,538)</u>	<u>174,538</u>	<u>(23,038)</u>	<u>23,038</u>

(d) Foreign currency risk

The Group and the Company are expected to be exposed to foreign currency risk as a result of their normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia ("RM"). The Group's and the Company's policy is to keep the foreign exchange exposure to an acceptable level.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk (continued)

The Group and the Company are exposed to transactional currency risk primarily through sales and costs of sales that are denominated in a currency other than the functional currency to which they related. The currency giving rise to this risk is primarily United States Dollar (“USD”), Indonesian Rupiah (“IDR”), Indian rupee (“INR”), Euro (“EUR”), Papua New Guinean Kina (“PGK”), Vietnamese Dong (“VND”), Nepalese Rupee (“NPR”) and Bangladeshi Taka (“BDT”).

The net unhedged financial assets and financial liabilities of the Group and of the Company that is not denominated in the functional currency other than those disclosed in the notes above, are as follows:

Financial assets and liabilities held in non-functional currency:

	Group	
	2024	2023
	RM	RM
<u>Trade and other receivables</u>		
USD	60,117,478	60,982,215
IDR	2,504,319	2,655,122
EUR	16,140,561	17,111,683
PGK	337,512	331,512
VND	186,664	206,046
NPR	233,638	-
BDT	11,948,014	-
<u>Cash and bank balances, deposits and placements</u>		
USD	17,500,801	42,213,886
IDR	1,508,952	1,417,708
EUR	5,025,478	7,778,042
PGK	41,291	45,458
VND	701,960	3,355,243
NPR	84,917	-
BDT	174,033	-
<u>Trade and other payables</u>		
USD	(27,228,156)	(38,362,409)
IDR	(837,426)	(12,485,055)
INR	(50,184)	(89,635)
EUR	-	(533)
PGK	(553,021)	(445,854)
<u>Borrowings</u>		
USD	(11,223,471)	(8,372,309)
IDR	(53,847,227)	-

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk (continued)

Financial assets and liabilities held in non-functional currency:(continued)

	Group	
	2024	2023
	RM	RM
<u>Contract assets</u>		
USD	2,165,769	-
BDT	682,133	-
<u>Contract liabilities</u>		
USD	(1,103,390)	(2,905,347)
BDT	(1,500,042)	-
<u>Net exposure</u>		
USD	40,229,031	53,556,036
IDR	(50,671,383)	(8,412,225)
INR	(50,184)	(89,635)
EUR	21,166,039	24,889,192
PGK	(174,218)	(68,884)
VND	888,624	3,561,289
NPR	318,555	-
BDT	<u>11,304,138</u>	<u>-</u>

Foreign currency sensitivity analysis

The following table illustrates the sensitivity of (loss)/profit after tax and equity with regards to the Group's and the Company's financial assets and financial liabilities and the RM/USD exchange rate, RM/IDR exchange rate, RM/INR exchange rate, RM/EUR exchange rate, RM/PGK exchange rate, RM/VND exchange rate, RM/NPR exchange rate and RM/BDT exchange rate, assuming all other things being equal.

If the RM had strengthened/weakened against the USD, IDR, INR, EUR, PGK, VND, NPR and BDT then the impact would be as follows:

	Effect on (loss)/profit after tax and equity for the years	
	Increase/(Decrease)	
	Group	
	2024	2023
	RM	RM
<u>RM/USD</u>		
- Strengthened 2% (2023: 2%)	611,481	814,052
- Weakened 2% (2023: 2%)	(611,481)	(814,052)
<u>RM/IDR</u>		
- Strengthened 2% (2023: 2%)	(770,205)	(127,866)
- Weakened 2% (2023: 2%)	770,205	127,866

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk (continued)

Foreign currency sensitivity analysis (continued)

If the RM had strengthened/weakened against the USD, IDR, INR, EUR, PGK, VND, NPR and BDT then the impact would be as follows: (continued)

	Effect on (loss)/profit after tax and equity for the years Increase/(Decrease) Group	
	2024 RM	2023 RM
<u>RM/INR</u>		
- Strengthened 2% (2023: 2%)	(763)	(1,363)
- Weakened 2% (2023: 2%)	763	1,363
<u>RM/EUR</u>		
- Strengthened 2% (2023: 2%)	321,724	378,316
- Weakened 2% (2023: 2%)	(321,724)	(378,316)
<u>RM/PGK</u>		
- Strengthened 2% (2023: 2%)	(2,648)	(1,047)
- Weakened 2% (2023: 2%)	2,648	1,047
<u>RM/VND</u>		
- Strengthened 2% (2023: 2%)	13,507	54,132
- Weakened 2% (2023: 2%)	(13,507)	(54,132)
<u>RM/NPR</u>		
- Strengthened 2% (2023: 2%)	4,842	-
- Weakened 2% (2023: 2%)	(4,842)	-
<u>RM/BDT</u>		
- Strengthened 2% (2023: 2%)	171,823	-
- Weakened 2% (2023: 2%)	(171,823)	-

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's and the Company's exposure to currency risk.

33. CAPITAL MANAGEMENT

The Group's and the Company's objective when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The Group's and Company's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future business developments. The Group and the Company fund their operations and growth through a mix of equity and debts. This includes the maintenance of adequate lines of credit and assessing the need to raise additional equity when required.

In the management of capital risk, management takes into consideration the net debt equity ratio as well as the Group's and the Company's working capital requirement. The net debt equity ratio is calculated as net debts divided by total capital. Net debts are calculated as total liabilities less total tax payable and cash and bank balances, deposits and placements. Total capital comprises share capital and reserves attributable to equity holders of the Group and of the Company.

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Net debts	<u>202,956,350</u>	<u>212,163,502</u>	<u>38,312,532</u>	<u>48,352,156</u>
Total equity attributable to owners of the parent	<u>321,297,474</u>	<u>328,038,115</u>	<u>306,730,128</u>	<u>308,039,634</u>
Total debts against equity ratio	<u>0.63</u>	<u>0.65</u>	<u>0.12</u>	<u>0.16</u>

There were no changes in the Group's and the Company's approach to capital management during the financial year.

34. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 28 April 2025, RBC Water Sdn Bhd ("RBC"), a wholly owned subsidiary of the Group, entered into a conditional share sales agreement with Korea Water Resources Corporation ("Purchaser") for the proposed disposal by RBC to the Purchaser of RBC's entire 30% equity interest in Phu My Vinh Construction and Investment Corporation for a cash consideration of VND500.82 billion ("Disposal").

The above Disposal has yet to be completed as at the report date.