TBK & SONS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1960

2024 ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tan Hun Tiong *(Chairman)*
Mr. Tan Han Peng *(Chief executive officer)*
Mr. Tang Zhiming
Mr. Chen Da

Non-executive Director

Ms. Chooi Pey Nee

Independent Non-executive Directors

Mr. Chu Hoe Tin
Mr. Ng Ying Kit
Mr. Wong Sze Lok

AUTHORISED REPRESENTATIVES

Mr. Tan Han Peng
Mr. Lam Wing Tai

AUDIT COMMITTEE

Mr. Chu Hoe Tin *(Chairman)*
Mr. Ng Ying Kit
Mr. Wong Sze Lok

REMUNERATION COMMITTEE

Mr. Ng Ying Kit *(Chairman)*
Mr. Tan Han Peng
Mr. Wong Sze Lok

NOMINATION COMMITTEE

Mr. Wong Sze Lok *(Chairman)*
Mr. Chu Hoe Tin
Mr. Tan Han Peng

COMPANY SECRETARY

Mr. Lam Wing Tai

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

Lot 333, Kampung Paya
Batu 2 Jalan Seremban, Port Dickson
Negeri Sembilan, Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1903, 19/F, West Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

BDO Limited
(Certified Public Accountants and
Registered Public Interest Entity Auditor)
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

CORPORATE INFORMATION

PRINCIPAL BANKERS

CIMB Bank Berhad
1st Floor, Wisma DPMNS
Jalan Dato Bandar Tunggal
70000 Seremban
Negeri Sembilan
Malaysia

United Overseas Bank (Malaysia) Bhd
Level 7, Menara UOB
Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

WEBSITE

www.tbkssb.com.my

STOCK CODE

1960

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of TBK & Sons Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), I am pleased to present the annual results of the Group for the year ended 30 June 2024 (the "**Financial Year**").

Although the COVID-19 pandemic situation no longer constituted a public health emergency of international concern in early 2023, the global economic activities are still reeling from the aftermath of the pandemic. The situation has been further exacerbated by geopolitical tensions, inflationary pressures and high interest rates, resulting in a complex and volatile business environment. Meanwhile, the sluggish property market in the People's Republic of China (the "**PRC**") continues to impact economic activities. These factors have adversely affect the overall performance of the Group. The Group will continue to closely monitor the economic circumstances and adjust its business strategy as necessary to cope with the changing market conditions and strive to improve the business performance.

The Group is principally engaged in civil and structural works in Malaysia and the PRC and trading of oil and related products in the PRC. During the Financial Year, the Group's revenue recorded a decrease by approximately RM79.8 million or 21.7% from approximately RM367.9 million for the year ended 30 June 2023 to approximately RM288.1 million for the Financial Year. The revenue generated from civil and structural works in Malaysia and the PRC, as well as the trading of oil and related products in the PRC contributed approximately 37.6% (2023: 24.9%) and 62.4% (2023: 75.1%) respectively of the total revenue of the Group.

CIVIL AND STRUCTURAL WORKS IN MALAYSIA

Despite the economic uncertainties, the Group's civil and structural works in Malaysia, including its product and services, revenue sources, and customers base, has remained relatively stable during the Financial Year. However, the Group is facing severe challenges in securing new projects, increased cost of materials and margin squeeze in Malaysia, mainly due to (i) scarcity of new projects and intense price competition in tenders; (ii) unrealistic price target set by project owners; and (iii) loss of experienced human capital in project planning, budgeting, and control in the industry due to weakening of Malaysian Ringgit, the experienced engineers have moved to work overseas. Given the shrinking market share, as elaborated above, the tender process has become exceptionally competitive. To maintain client relationships, uphold market presence and optimize resource utilization, the Group has implemented competitive pricing strategies. As a result, the revenue from civil and structural works in Malaysia increased from approximately RM50.9 million for the year ended 30 June 2023 to approximately RM56.0 million for the Financial Year, the gross profit increased from approximately RM2.0 million for the year ended 30 June 2023 to approximately RM3.6 million for the Financial Year and the gross profit margin maintained at approximately 6.4% and 3.9% for the years ended 30 June 2024 and 2023.

CIVIL AND STRUCTURAL WORKS IN THE PRC

However, there was no significant improvement in the PRC's economic environment, primarily due to sluggish property market sentiment. The Group's civil and structural works in the PRC experienced various challenges arising from increased competition, extended payment terms and delay in progress certification of construction and renovation works, customer payment delays as well as narrower profit margin. The Group's civil and structural works projects in the PRC mainly covered a range of construction, renovation works and provision of construction labour, i.e. educational institutions, such as colleges, Sino-German Ecopark, Economic and Trade Industrial Park, waterproof works as well as conference and exhibition center. These projects were typically initiated by local government and were closely tied to social community. However, these projects required to have the longer approval and settlement times by the project owners. The Group has slowed down negotiations for new projects to concentrate on completing existing projects on hand in the PRC and has focused on the collection process of trade receivables and contract assets to improve liquidity and financial stability. The Group has been proactive in communicating with customers and seeking improvements in project timelines and payment processes as well as monitoring the business circumstances. Despite the revenue from the civil and structural works in the PRC increased from approximately RM40.8 million for the year ended 30 June 2023 to approximately RM52.5 million for the Financial Year, the gross profit decreased from approximately RM3.9 million for the year ended 30 June 2023 to approximately RM0.8 million for the Financial Year and the gross profit margin was approximately 1.5% and 9.6% for the years ended 30 June 2024 and 2023, respectively. In addition, the expected credit loss (the "**ECL**") on trade receivables and contract assets related to the civil and structural works in the PRC significantly increased by approximately RM19.3 million for the Financial Year compared to the previous year. This increase was primarily attributable to the customer payment delays, which directly impact the ECL calculation by reflecting the negative changes in credit risk associated with the outstanding trade receivables and contract assets as at 30 June 2024.

TRADING OF OIL AND RELATED PRODUCTS IN THE PRC

Due to the sluggish market sentiment in the PRC, coupled with the impacts of property market downturn and the reduced infrastructure projects, the demand for petroleum refining finished products decreased and the prices weakened, which resulted in a decrease in demand for heavy raw oil. Taking into consideration of the impact of the Russia-Ukraine war, and the Isarel-Palestine conflict on international oil prices, the crude oil prices were volatile. The Group was unable to fully shift the extra cost of the increase in suppliers' prices to its customers. Given the challenging market conditions and the substantial capital requirement for international oil trading and new business development, the Group has taken a prudent approach to maintain its operation. As a result, the revenue from the trading of oil and related products in the PRC recorded a significant decreased by 35.0% from approximately RM276.2 million for the year ended 30 June 2023 to approximately RM179.6 million for the Financial Year, the gross profit decreased by 93.3% from approximately RM8.3 million for the year ended 30 June 2023 to approximately RM0.6 million for the Financial Year and the gross profit margin was approximately 0.3% and 3.0% for the years ended 30 June 2024 and 2023.

As a result of the foregoing, the Group's record a loss attributable to owners of the Company of approximately RM32.7 million for the Financial Year (2023: RM8.7 million). The deterioration of financial results for the Financial Year was mainly attributable to (i) the significant decrease in the Group's revenue and gross profit for the Financial Year compared to the previous year, and (ii) the significant increase in the net impairment loss on ECL on trade receivables, contract assets and other receivables from approximately RM1.7 million for the financial year ended 30 June 2023 to approximately RM22.1 million for the Financial Year.

CHAIRMAN'S STATEMENT

OUTLOOK

According to the World Bank's Global Economic Prospect Report for June 2024, the global economy is stabilizing, following several years of overlapping negative shocks. Despite elevated financing costs and heightened geopolitical tensions, global activity firmed in nearly 2024.

However, we expect the financial year 2024/2025 to be equally challenging for the Group. The post-pandemic impacts, geopolitical tensions and persistently high interest rates create strong economy headwinds. Challenges in securing new projects and margin squeeze in Malaysia and the PRC, coupled with a sluggish property market and reduced infrastructure projects in the PRC, also creates further uncertainty to the business environments.

In this regard, the Group has been cautious while actively looking for new projects in order to maintain its foothold in the industry besides exploring opportunities in both East and West Malaysia, as well as in neighbouring countries and the PRC. In addition, the Group will continue to explore and expand its customer base and source of supply to diversify the existing businesses. The Board will from time to time reviews its existing businesses and explores other business and investment opportunities, including but not limited to energy related processing and logistic business, with a view to diversifying the business of the Group.

APPRECIATION

On behalf of the Board, I would like to express my sincerest gratitude to our valued customers, business partners, subcontractors, suppliers, and shareholders of the Company for their support. I also express my appreciation to the management team and employees for their valuable contributions to the development of the Group.

Tan Hun Tiong
Chairman

Hong Kong, 27 September 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Civil and Structural works in Malaysia

The Group is a civil and structural works contractor undertaking civil and structural works in the oil and gas industry in Malaysia with operational history since the 1970s. The Group is registered with a Construction Industry Development Board of Malaysia (the "**CIDB**") Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical), which is the highest possible contractor licence under the CIDB and allows the Group to undertake civil and structural works of unlimited tender/contract value.

The Group's civil and structural works services generally involve (i) site preparation works such as earthwork, demolition works, and temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, etc.; (ii) civil works for process plants, involving reinforced concrete foundations, pipe supports, ponds, pits, underground and open drainage networks, paving work (including the use of gravel, concrete and asphalt) and related plant civil maintenance works; and (iii) building works (including the building of sub-station, field auxiliary rooms, workshop and storage buildings, etc.) in the oil and gas industry.

The following table sets forth the breakdown of the revenue by nature of works for the year ended 30 June 2024 and 2023:

	2024		2023	
		approximately		approximately
	RM'000	**%**	RM'000	%
Site preparation works projects	**2,922**	**5.2**	500	1.0
Civil works projects	**51,522**	**92.1**	43,877	86.1
Building works projects	**1,525**	**2.7**	6,555	12.9
	55,969	**100.0**	50,932	100.0

Despite the economic uncertainties, the Group's civil and structural works in Malaysia, including its product and services, revenue sources, and customers base, has remained relatively stable. During the Financial Year under review, the revenue from civil and structural works in Malaysia increased by approximately 9.9% from approximately RM50.9 million for the year ended 30 June 2023 to approximately RM56.0 million for the Financial Year.

Site preparation works projects

Revenue from site preparation works projects increased from approximately RM0.5 million for the year ended 30 June 2023 to approximately RM2.9 million for the Financial Year. The increase was attributable to Project 53, which commenced for the financial year ended 30 June 2023 and was completed during the Financial Year.

Civil works projects

Revenue from civil works projects increased from approximately RM43.9 million for the year ended 30 June 2023 to approximately RM51.5 million for the Financial Year, representing an increase of approximately 17.4%.

The increase in revenue was mainly attributable to 4 completed projects during the Financial Year i.e. Project 1 (approximately RM1.1 million), Project 30 (approximately RM2.9 million), Project 50 (approximately RM0.3 million), and Project 55 (approximately RM2.0 million), 2 ongoing projects which commenced during the previous financial year i.e. Project 48 (approximately RM1.4 million) and Project 52 (approximately RM6.3 million), as well as the ongoing Project 54 (approximately RM18.4 million), which commenced during the Financial Year.

The increase was partially offset by the drop in revenue mainly from 11 completed projects during the Financial Year i.e. Project 26 (approximately RM0.9 million), Project 28 (approximately RM0.3 million), Project 31 (approximately RM0.9 million), Project 33 (approximately RM3.5 million), Project 35 (approximately RM0.2 million), Project 40 (approximately RM12.0 million), Project 42 (approximately RM0.5 million), Project 44 (approximately RM1.7 million), Project 46 (approximately RM1.5 million), Project 47 (approximately RM0.4 million), Project 49 (approximately RM1.2 million) and certain miscellaneous civil works (approximately RM1.6 million) as well as the ongoing Project 41 (approximately RM0.1 million), which commenced during the previous financial year.

Building works projects

Revenue from the building works projects decreased from approximately RM6.6 million for the year ended 30 June 2023 to approximately RM1.5 million for the Financial Year. The decrease in revenue was mainly attributable to 2 completed projects i.e. Project 51 (approximately RM1.6 million), which was completed last year and Project 45 (approximately RM3.4 million), which commenced last year and was completed during the Financial Year.

Projects on hand

As at 30 June 2024, the Group had 10 (2023: 10) projects on hand in Malaysia (including projects that have commenced but not yet completed and projects that have been awarded to the Group but not yet commenced). A summary of the projects on hand is set out below:

Project	Particulars and location	Type of works	Pengerang Integrated Petroleum Complex ("PIPC")/Non-PIPC projects	Commencement date	Expected Completion date
Project 40	A refinery at Pengerang	Civil works	PIPC	January 2022	October 2024
Project 41	A refinery at Pengerang	Civil works	PIPC	January 2022	December 2024
Project 48	A melamine plant at Kedah	Civil works	Non-PIPC	November 2022	September 2024
Project 52	A chemical plant at Kedah	Civil works	Non-PIPC	April 2023	October 2024
Project 54	A refinery at Pengerang	Civil works	PIPC	August 2023	September 2024
Project 56	A fuel depot at Westport Pulau Indah, Klang	Civil works	Non-PIPC	April 2024	September 2024
Project 57	An electronic factory in Kulim, Kedah	Civil works	Non-PIPC	June 2024	November 2024
Project 58	An oleochemical plant in Nilai, Negeri Sembilan	Civil works	Non-PIPC	July 2024	October 2024
Project 59	An oleochemical plant in Lahad Datu, Sabah	Building works	Non-PIPC	July 2024	November 2024
Project 60	A refinery in RAPID Pengerang	Civil works	PIPC	July 2024	February 2025

Civil and Structural Works in the PRC

The Group acquired 75% equity interests of 青島鑫弘耀建設科技有限公司 (Qingdao Xinhongyao Construction Technology Company Limited*) ("**Xinhongyao Construction**") in April 2022, which was established in the PRC and it is currently carrying on business of construction and renovation works projects in the PRC. The scope of business of Xinhongyao Construction included design of construction projects; professional construction operations; residential interior decoration and renovation; general contracting of housing complex and municipal infrastructure projects and various types of engineering construction activities.

* *For identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

Xinhongyao Construction has obtained the Qualification Certificate for Construction Enterprise (建築企業資質證書) for Grade II for Professional Contracting for Waterproofing, Corrosion and Heat Preservation Engineering and Grade I for Professional Contracting of Building Decoration and Engineering (防水防腐保溫工程專業承包貳級和建築裝修裝飾工程專業承包壹級), and the Construction Enterprise Safety Production License (建築施工企業安全生產許可證). Xinhongyao Construction has also obtained certifications for GB/T 19001-2016/ISO 9001:2015 (Quality Management System Certification 質量管理體系認證), GB/T 24001-2016/ISO14001:2015 (Environmental Management System Certification 環境管理體系認證), and GB/T 45001-2020/ISO 45001:2018 (Occupational Health and Safety Management System Certification 職業健康安全管理體系認證). All of the above-mentioned certificates and licenses are within the validity period at the date of this annual report.

The Group's civil and structural works in the PRC experienced various challenges arising from increased competition, extended payment terms and delay in progress certification of construction and renovation works, customer payment delays as well as narrower profit margin. The Group's civil and structural works projects in the PRC mainly covered a range of construction, renovation works and provision of construction labour, i.e. educational institutions, such as colleges, Sino-German Ecopark, Economic and Trade Industrial Park, waterproof works as well as conference and exhibition center. These projects were typically initiated by local government and were closely tied to social community. However, these projects required to have the longer approval and settlement times by the project owners. The Group has slowed down negotiations for new projects to concentrate on completing existing projects on hand in the PRC and has focused on the collection process of trade receivables and contract assets to improve liquidity and financial stability. The Group has been proactive in communicating with customers and seeking improvements in project timelines and payment processes as well as monitoring the business circumstances.

During the Financial Year, the revenue from the civil and structural works in the PRC increased by approximately 28.8% from approximately RM40.8 million for the year ended 30 June 2023 to approximately RM52.5 million for the Financial Year.

The increase in revenue was mainly attributable to 2 completed projects during the Financial Year i.e. Project 11 (approximately RM8.0 million) and Project 12 (approximately RM0.7 million), and 6 ongoing projects which commenced during the Financial Year i.e. Project 14 (approximately RM18.1 million), Project 15 (approximately RM1.1 million), Project 16 (approximately RM6.2 million), Project 17 (approximately RM3.1 million), Project 18 (approximately RM3.6 million) and Project 19 (approximately RM1.7 million).

The increase was partially offset by the drop in revenue for 6 completed projects, which were completed or near completion for the previous financial year i.e. Project 1 (approximately RM2.2 million), Project 2 (approximately RM1.8 million), Project 4 (approximately RM0.2 million), Project 5 (approximately RM6.0 million), Project 6 (approximately RM3.6 million), Project 7 (approximately RM12.3 million), and 2 ongoing projects which commenced during the previous financial year i.e. Project 8 (approximately RM2.2 million) and Project 10 (approximately RM2.0 million) as well as completed certain construction and renovation works projects of approximately RM0.5 million.

Projects on hand

As at 30 June 2024, the Group had 9 (30 June 2023: 7) projects on hand in the PRC (including projects that have commenced but not yet completed and projects that have been awarded to the Group but not yet commenced). A summary of the projects on hand is set out below:

Project	Particular and location	Type of works	Commencement date	Expected completion date
Project 8	A college in Laiyang City, Shandong Province	Construction works	January 2023	October 2024
Project 9	A college in Laiyang City, Shandong Province	Construction works	April 2023	October 2024
Project 10	A building in Licang district, Qingdao	Renovation works	January 2023	December 2024
Project 14	Economic and Trade Industrial Park in Shandong Province	Provision of construction labour	December 2023	November 2024
Project 15	Waterproof works in Shandong Province	Construction works	January 2024	November 2024
Project 16	A college in Qingdao City West Coast New Area, Shandong Province	Construction works	March 2024	August 2024
Project 17	An innovation center in Qingdao West Coast New Area, Shandong Province	Renovation works	November 2023	August 2024
Project 18	A building in Laoshan District, Qingdao City	Construction works	April 2024	November 2024
Project 19	A building in Shinan District, Qingdao City	Construction works	June 2024	October 2024

Trading of Oil and Related Products in the PRC

Due to the sluggish market sentiment in the PRC, coupled with the impacts of property market downturn and the reduced infrastructure projects, the demand for petroleum refining finished products decreased and the prices weakened, which resulted in a decrease in demand for heavy raw oil. Taking into consideration of the impact of the Russia-Ukraine war, and the Isarel-Palestine conflict on international oil prices, the crude oil prices were volatile. The Group was unable to fully shift the extra cost of the increase in suppliers' prices to its customers. Given the challenging market conditions and the substantial capital requirement for international oil trading and new business development, the Group has taken a prudent approach to maintain its operation. As a result, the revenue from the trading of oil and related products in the PRC recorded a significant decreased by 35.0% from approximately RM276.2 million for the year ended 30 June 2023 to approximately RM179.6 million for the Financial Year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Civil and Structural works in Malaysia

Despite the economic uncertainties, the Group's civil and structural works in Malaysia, including its product and services, revenue sources, and customers base, has remained relatively stable during the Financial Year. However, the Group is facing severe challenges in securing new projects, increased cost of materials and margin squeeze in Malaysia. Given the shrinking market share, the tender process has become exceptionally competitive. To maintain client relationships, uphold market presence and optimize resource utilization, the Group has implemented competitive pricing strategies.

Revenue

During the Financial Year under review, the revenue from civil and structural works in Malaysia increased by approximately 9.9% from approximately RM50.9 million for the year ended 30 June 2023 to approximately RM56.0 million for the Financial Year.

Cost of sales

The Group's cost of sales from civil and structural works in Malaysia mainly comprises cost of direct materials, subcontracting charges, direct labour. The following table sets out the breakdown of the Group's direct costs during the year ended 30 June 2024 and 2023:

	2024		2023	
		approximately		approximately
	RM'000	**%**	RM'000	%
Direct materials	**16,178**	**30.9**	14,439	29.5
Subcontracting charges	**11,533**	**22.0**	11,897	24.3
Direct labour	**15,887**	**30.3**	13,493	27.6
Rental of machinery and equipment	**1,457**	**2.8**	1,601	3.3
Depreciation	**1,470**	**2.8**	2,091	4.2
Other costs	**5,884**	**11.2**	5,435	11.1
Total	**52,409**	**100.0**	48,956	100.0

The Group's cost of sales from civil and structural works in Malaysia during the Financial Year mainly comprised:

(a) direct materials, which mainly represent direct costs for the purchase of construction materials, such as sand, steel, concrete, wood and fuel, that are directly attributable to the project works;

(b) subcontracting charges, which represent fees and charges paid to or payable to subcontractors who provide civil works, site preparation works and/or building works at project sites;

(c) direct labour, which represents remuneration to employees directly attributable to the projects; and

(d) other costs, which include various miscellaneous expenses such as transportation fee, safety consultancy fee and insurance expenses for the Group's projects.

The Group's cost of sales from civil and structural works in Malaysia increased from approximately RM49.0 million for the year ended 30 June 2023 to approximately RM52.4 million for the Financial Year, representing an increase of approximately 7.1% which is in line with increase in revenue.

Consumption of direct materials and their costs may vary from project to project, as (i) the consumption of raw materials varies according to different types of works performed; and (ii) the cost of direct materials may be agreed to be borne by the Group or by its customers or subcontractors depending on the contract terms with different customers and subcontractors, resulting in fluctuations in the proportions of these costs from project to project.

Gross profit and gross profit margin

In line with the increase in revenue, the Group's gross profit from civil and structural works in Malaysia increased from approximately RM2.0 million for the year ended 30 June 2023 to approximately RM3.6 million for the Financial Year, representing an increase of approximately 80.2%, while the Group's gross profit margin increased from approximately 3.9% for the year ended 30 June 2023 to approximately 6.4% for the Financial Year.

Civil and Structural Works in the PRC

During the Financial Year, the Group's civil and structural works in the PRC experienced various challenges arising from increased competition, extended payment terms and delay in progress certification of construction and renovation works, customer payment delays as well as narrower profit margin. The Group's civil and structural works projects in the PRC mainly covered a range of construction, renovation works and provision of construction labour, i.e. educational institutions, such as colleges, Sino-German Ecopark, Economic and Trade Industrial Park, waterproof works as well as conference and exhibition center. These projects were typically initiated by local government and were closely tied to social community. However, these projects required to have the longer approval and settlement times by the project owners. The Group has slowed down negotiations for new projects to concentrate on completing existing projects on hand in the PRC and has focused on the collection process of trade receivables and contract assets to improve liquidity and financial stability. The Group has been proactive in communicating with customers and seeking improvements in project timelines and payment processes as well as monitoring the business circumstances.

Revenue

The Group's revenue from civil and structural works in the PRC increased by approximately 28.8% from approximately RM40.8 million for the year ended 30 June 2023 to approximately RM52.5 million for the Financial Year.

Cost of sales

The Group's cost of sales from civil and structural works in the PRC mainly comprises cost of direct materials, subcontracting fee, direct labour and other direct costs. In line with the increase in revenue, the Group's cost of sales from civil and structural works in the PRC was approximately RM51.7 million (2023: RM36.8 million) during the Financial Year. The increase was mainly attributable to the increased subcontracting of construction tasks to subcontractors.

Gross profit and gross profit margin

The Group's gross profit from civil and structural works in the PRC was approximately RM0.8 million for the Financial Year (2023: RM3.9 million). The decrease of gross profit was mainly attributable to the new provision of construction labour projects contributed lower gross profit and the increased in subcontracting of construction tasks to subcontractors. With combined effects of revenue and cost of sales from civil and structural works in the PRC, the Group's gross profit margin from civil and structural works in the PRC was approximately 1.5% (2023: 9.6%).

Trading of Oil and Related Products in the PRC

Due to the sluggish market sentiment in the PRC, coupled with the impacts of property market downturn and the reduced infrastructure projects, the demand for petroleum refining finished products decreased and the prices weakened, which resulted in a decrease in demand for heavy raw oil. Taking into consideration of the impact of the Russia-Ukraine war, and the Isarel-Palestine conflict on international oil prices, the crude oil prices were volatile. The Group was unable to fully shift the extra cost of the increase in suppliers' prices to its customers. Given the challenging market conditions and the substantial capital requirement for international oil trading and new business development, the Group has taken a prudent approach to maintain its operation.

Revenue

During the Financial Year, the Group's revenue from trading of oil and related products in the PRC significantly decreased by approximately 35.0% from approximately RM276.2 million for the year ended 30 June 2023 to approximately RM179.6 million for the Financial Year.

Cost of sales

The Group's cost of sales from trading of oil and related products in the PRC mainly comprises cost of direct materials, storage fee and transportation fee. During the Financial Year under review, the Group's cost of sales from trading of oil and related products decreased from approximately RM267.9 million for the year ended 30 June 2023 to approximately RM179.1 million for the Financial Year, representing a decrease of approximately 33.2%, which is in line with the decrease in revenue.

Gross profit and gross profit margin

The Group's gross profit from trading of oil and related products in the PRC was approximately RM0.6 million for the Financial Year (2023: RM8.3 million). The decrease in gross profit mainly attributable to lower demand and price volatility for oil and related products, resulting in less revenue and lower gross profit margin during the Financial Year. With combined effects of revenue and cost of sales from trading of oil and related products, the Group's gross profit margin from trading of oil and related products was 0.3% (2023: 3.0%).

Selling and distribution expenses

The Group's selling and distribution expenses mainly comprised salary and benefits of our sales and marketing staff, entertainment and promotional expenses as well as travelling expenses in the PRC. During the Financial Year, the selling and distribution expenses were approximately RM0.7 million (2023: RM1.5 million). The decrease was mainly due to reduction of employee and relevant expenses as result of decrease in revenue.

Administrative expenses

The Group's administrative expenses were remained relatively stable at approximately RM21.1 million and approximately RM20.8 million for the year ended 30 June 2023 and 2024, respectively. The administrative expenses of the Group primarily consist of short-term leases expenses, depreciation of property, plant and equipment and right-of-use assets and employee benefits expense and other expenses, in which the employee benefits expenses constituted the main component account for approximately 63.7% (2023: 61.7%) of administrative expenses.

Net impairment loss on trade receivables, contract assets and other receivables

The Group had adopted the simplified approach to account for ECL as prescribed by IFRS9. Throughout the Financial Year, the Group consistently followed the same methodology for the statistical analysis and judgement for the ECL assessment. The Group also engaged an independent valuer to assess the key estimates, assumptions and calculations. In assessing the recoverability of the trade receivables, contract assets and other receivables, the management had performed a detailed analysis based on the independent valuation report, available customers' historical data, market conditions as well as forward-looking estimates at the reporting date. The ECLs amount is recognised as the impairment loss in the consolidated statement of profit or loss and other comprehensive income.

During the Financial Year, the Group recognised the net impairment loss on ECL on trade receivables, contract assets and other receivables of approximately RM22.1 million (2023: RM1.7 million). As at 30 June 2024, the provision for impairment loss on trade receivables, contract assets and other receivables amounted to approximately RM23.0 million (2023: RM3.3 million), RM3.0 million (2023: RM1.4 million) and RM0.9 million (2023: Nil), respectively. The increase in ECL was primarily attributable to the customer payment delays from the civil and structural works in the PRC, which directly impact the ECL calculation by reflecting the negative changes in credit risk associated with the outstanding trade receivables and contract assets as at 30 June 2024. The Group had gross trade receivables of approximately RM76.9 million as at 30 June 2024, of which approximately RM21.0 million were subsequently settled up to the date of this annual report. Further details of the credit risk and impairment assessment of ECL are set out in the Note 39(c) to the consolidated financial statements.

The Group actively monitors the status of its customers and the economic environment, and conducts ongoing evaluations of its business relationships. To recover overdue debts, the Group has established monitoring procedures and takes follow-up action where appropriate. The Group has been proactive in communicating with customers and seeking improvements in project timelines and payment processes. The Group has slowed down negotiations for new projects in the PRC to concentrate on completing existing projects on hand in the PRC and has focused on the collection process of long-aged trade receivables. The Group has maintained detailed records of communications with customers regarding overdue trade receivables and gathered feedback from customers to understand any issues that might be causing payment delays. At each reporting date, the Group assesses the recoverability of trade receivables, contract assets and other receivables to ensure that adequate impairment losses are made for irrecoverable amounts. As a result, the Directors consider the provision for impairment loss on trade receivables, contract assets and other receivables as at 30 June 2024 to be justifiable.

Finance costs

Finance costs represented interest on bank overdrafts, bank and other borrowings and lease liabilities. For the year ended 30 June 2024 and 2023, the Group recorded finance costs of approximately RM0.4 million and RM0.8 million, respectively. The decrease was mainly due to decreased bank and other borrowings and lease liabilities for the Financial Year.

Income Tax Expense

The Group's income tax expense was approximately RM77,000 for the Financial Year (2023: RM1.7 million). The decrease was mainly due to the decrease in overall revenue and profit of the Group during the Financial Year.

Loss and Loss per Share

As a result of the foregoing, the Group's record a loss attributable to owners of the Company of approximately RM32.7 million for the Financial Year (2023: RM8.7 million). The loss for the Financial Year was mainly attributable to (i) the significant decrease in the Group's revenue and gross profit for the Financial Year compared to the previous year, and (ii) the significant increase in the net impairment on ECL on trade receivables, contract assets and other receivables. The loss per share for the Financial Year was approximately RM3.27 sen (2023: RM0.87 sen).

Key Financial Ratio

		As at/for the year ended 30 June	
	Note	**2024**	2023
Current ratio (times)	1	**2.3**	3.4
Quick ratio (times)	2	**2.3**	3.0
Gearing ratio (%)	3	**4.5**	6.4
Debt to equity (%)	4	**N/A**	N/A
Return on equity (%)	5	**(35.4)**	(5.9)
Return on total assets (%)	6	**(20.9)**	(4.3)
Interest coverage (times)	7	**(104.4)**	(7.1)

Notes:

1. Current ratio is total current assets divided by total current liabilities.
2. Quick ratio is total current assets less inventories divided by total current liabilities.
3. Gearing ratio is total debt (i.e. sum of lease liabilities and borrowings) divided by total equity and multiplied by 100%.
4. Debt to equity ratio is total debt (i.e. sum of lease liabilities and borrowings) less cash and cash equivalents divided by total equity and multiplied by 100%.
5. Return on equity is (loss) for the year divided by total equity and multiplied by 100%.
6. Return on total assets is (loss) for the year divided by total assets and multiplied by 100%.
7. Interest coverage is (loss) before interest and tax divided by finance costs.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, Financial Resources and Capital Structure

As at 30 June 2024,

a. the Company's issued capital was RM5.3 million (or HK$10.0 million equivalent) and the number of its issued ordinary Shares was 1,000,000,000 Shares of HK$0.01 each;

b. the Group had total pledged time deposits as well as cash and cash equivalents of approximately RM6.6 million (2023: RM6.4 million) and approximately RM28.9 million (2023: RM45.9 million), respectively, most of which were denominated in Hong Kong dollar (HK$), United States Dollar (USD), Malaysian Ringgit (RM) and Renminbi (RMB);

c. the Group had lease liabilities and bank and other borrowings of approximately RM0.8 million (2023: RM2.2 million) and RM4.0 million (2023: RM7.1 million), respectively. All of the lease liabilities and bank borrowings were denominated in RM and RMB; and

d. the Group's total equity attributable to owners of the Company was approximately RM110.9 million (2023: RM143.0 million). The capital of the Company mainly comprises share capital and reserves.

Treasury Policy

The Group has adopted a prudent treasury management policy to (i) ensure that the Group's funds are properly and efficiently collected and deployed such that there is no material shortfall in cash which may interrupt the Group's daily business obligations; (ii) maintain sufficient level of funds to settle the Group's capital commitment when they fall due; (iii) maintain adequate liquidity to cover the Group's operation cash flows, project expenditures and administrative expenses; and (iv) streamline the Group's operational processes to achieve savings in construction-related costs, maintenance and other operating costs. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Dividend

The Board does not recommend the payment of a final dividend for the Financial Year (2023: Nil).

Significant Investments, Material Acquisitions or Disposals of Subsidiaries and Associated Companies

Save as disclosed in this annual report, the Group has no significant investments, material acquisitions or disposals of subsidiaries and associated companies during the Financial Year.

Capital Commitments

As at 30 June 2024 and 2023, the Group had no significant capital commitments.

Pledge of Assets

As at 30 June 2024, certain freehold land with net carrying amount of RM4.7 million (2023: RM4.7 million), certain right-of-use assets of leasehold land and buildings with total net carrying amount of approximately RM1.6 million (2023: RM1.6 million), and time deposit of approximately RM6.6 million (2023: RM6.4 million) were pledged as securities for the bank facilities granted to the Group.

Future Plan for Material Investments and Capital Assets

Save as disclosed in this annual report, the Group does not have any concrete plan for material investments or capital assets for the coming year.

Contingent Liabilities

As at 30 June 2024, the Group had no significant contingent liabilities or outstanding litigation (2023: Nil).

Events after Reporting Period

Save as disclosed in this annual report, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2024 and up to the date of this annual report.

Pledge of Shares by the Controlling Shareholder

The Company had been notified that an aggregate of 600,000,000 Shares (the "**Pledged Shares**") held by TBK & Sons International Limited ("**TBKS International**") had been pledged on 28 September 2021 in favour of an independent third party (the "**Lender**") as a security for a loan facility of HK$180,000,000 provided by the Lender to TBKS International. The Pledged Shares represented 60% of the issued share capital of the Company as at the date of this annual report.

Principal Risks and Uncertainties

There are certain risks involved in the Group's business and operations. The Directors believe that some of the major risks may have a material adverse effect on the Group.

The followings are the key risk and uncertainties identified by the Group relating to our business, including but not limited to (i) the Group is exposed to concentration risk of heavy reliance on its largest and top five customers; (ii) as the Group from time to time engages subcontractors in works, the Group may bear responsibilities for any non-performance, delayed performance, sub-standard performance or non-compliance of its subcontractors; (iii) failure to secure new projects through tender process may materially and adversely affect the Group's sustainability and financial performance; (iv) the Group's historical revenue and profit margin may not be indicative of its financial performance in the future; and (v) a significant portion of the Group's revenue from civil and structural works in Malaysia was generated from PIPC projects, any decrease or loss of business relationship or failure to secure new projects associated with PIPC may adversely affect the Group's operations and financial performance.

1. *The Group is exposed to concentration risk of heavy reliance on its largest and top five customers*

   A significant portion of the Group's revenue was derived from a small number of customers during the past years. For the years ended 30 June 2023 and 2024, the revenue generated from the Group's top five customers accounted for approximately 83.5% and 81.6% of its total revenue respectively, while the revenue generated from the largest customer accounted for approximately 41.0% and 53.7% of the Group's total revenue for the same year respectively. The Group may continue to have a concentration of customers in the future.

   There is no assurance that the financial position of the Group's major customers will remain healthy in the future and that the Group will be able to receive payments from such customers on time. Any deterioration in the businesses of the Group's major customers could lead to delay and/or default in their payments to the Group. If the Group's major customers fail to make timely payments to the Group, the Group's cash flows and financial position may be materially and adversely affected.

2. *As the Group from time to time engages subcontractors in works, the Group may bear responsibilities for any non-performance, delayed performance, sub-standard performance or non-compliance of its subcontractors*

   As common in the civil and structural works industry, the Group engages subcontractors to undertake some of the project works. Subcontracting may expose the Group to risks associated with non-performance, delayed performance or sub-standard performance by the subcontractors, in the event of subcontracting works to subcontractors. The Group is ultimately responsible to the customers for the works completed by the subcontractors. As a result, the Group may experience deterioration in the quality or delivery of the works, incur additional costs due to managing and supervising subcontractors' performance and remedying the delays, defects or substandard materials, defective equipment, services or supplies caused by the subcontractors. The Group also has limited control over the availability of its subcontractors' labour force and may not be able to find suitable subcontractor in a timely manner. Such events could impact the profitability, financial performance and reputation, or result in litigation or damage claims of the Group.

   If the subcontractors violate any laws, rules or regulations in relation to health, safety and environmental matters, the Group may expose itself as liable to prosecutions by relevant authorities, and may become liable to claims for losses and damages if such violations cause any personal injuries or death or damage to properties. In the event that there is any violation, whether substantial or minor in nature, of any laws, rules or regulations, occurred at sites for which the Group is responsible, the operations and hence the financial position of the Group may be adversely affected.

3. *Failure to secure new projects through tender process may materially and adversely affect the Group's sustainability and financial performance*

It is customary in the civil and structural works industry that civil and structural works projects are awarded to contractors on a project-by-project basis through a tender process where the tenders of all bidders will be considered and assessed by the project awarding company.

In line with the industry practice, the Group's projects are primarily secured through a tender process. The Group's ability to secure new projects from its existing or new customers is uncertain and is largely dependent on, among others, how favourable terms are compared to those offered by other contractors who have also submitted their tenders. Notwithstanding the Group's past relationship and work experience with its existing customers, the final outcome of each tender process is beyond the Group's control. There is also no guarantee that the Group's existing customers will award new projects to the Group.

The Group cannot assure that it will be able to secure future business from its existing customers, or that the Group will be able to develop business relationships with new customers. The Group may be unable to forecast the number of projects it may secure in the future. The Group's revenue may fluctuate from period to period depending on the actual volume of its business. If the Group fails to secure projects in the tender process, the Group's business, results of operations, sustainability and prospects would be materially and adversely affected.

4. *The Group's historical revenue and profit margin may not be indicative of its financial performance in the future*

The Group's future performance will depend on, among other things, its ability to secure new projects and control its costs and will be subject to the risks set out in this section. Therefore, the Group's historical performance does not have any positive implication or may not necessarily reflect the Group's financial performance in the future. In addition, the Group's profit margin may fluctuate from project to project due to a number of factors, such as quantity of work orders received from customers, the accuracy of the Group's estimate of costs when determining the tender price, the complexity, duration and size of the project, subcontracting charges and the pricing strategy. There is no guarantee that the Group will be able to command a similar level of gross profit margin in the future as some of the factors affecting the Group's profitability such as quantity of work orders received from customers are beyond the Group's control. Nor can the Group assure you that it will be able to secure sufficient projects of favourable size and quantity, maintain its current revenue and profit levels in the future or attain growth rates similar to those achieved by it during the past years.

Furthermore, the Group's future performance will also depend on its capacity to secure oil and related products while effectively managing costs. Given the inherent volatility of oil prices due to geopolitical tensions, supply-demand dynamics, and global economic conditions, there is no assurance that the Group will maintain the same level of revenue, gross profit and gross profit margin. Various factors mentioned may impact the Group's overall performance and profitability.

5. *A significant portion of the Group's revenue from civil and structural works in Malaysia was generated from PIPC projects, any decrease or loss of business relationship or failure to secure new projects associated with PIPC may adversely affect the Group's operations and financial performance*

   The Group generated a significant portion of revenue from PIPC projects which are secured from a number of project owners and/or engineering, procurement, commissioning and contracting ("**EPCC**") contractors during the past years.

   The Group does not enter into any long-term service agreement with project owners and/or EPCC contractors of PIPC projects and the Group's services are provided on a project-by-project basis. As such, there is no assurance that the project owners and/or EPCC contractors of PIPC projects will continue to retain the Group upon completion of the existing projects or that they will maintain the current level of business with the Group or engage the Group in the future. If there is a significant decrease in number of projects or size of projects in terms of contract value awarded by project owners and/or EPCC contractors of PIPC projects, and if the Group is unable to obtain sufficient projects with comparable size as replacement, the business, results of operations and financial condition of the Group may be materially and adversely affected.

Foreign Currency Risk

The Group operates mainly in Malaysia, fluctuations in the Malaysian ringgit's value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on the Group's business, financial condition and results of operations. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into USD, RMB or HK$, of the Group's net assets, earnings or any declared dividends. Consequently, this may adversely affect the Group's ability to pay dividends or satisfy other foreign exchange requirements.

The management will monitor foreign currency exposure of the Group and will consider undertaking foreign exchange hedging activities to reduce the impact of foreign exchange rate movements on the Group's operating results. The Group had not used any derivative financial instrument for the Financial Year.

Employees and Remuneration Policy

As at 30 June 2024, the Group had 513 (2023: 510) employees (including foreign labour). The Group's employees are invaluable assets of the Group and it is dedicated to managing human capital. The Directors believe that continuous staff training and development will not only improve the Group's staff's performance, but will also enhance loyalty and staff morale. For its new recruits, the Group offers induction training courses which cover practical and technical aspects of their works, together with its corporate culture and core value. Remuneration packages the Group's offer to its staff includes basic salary, discretionary bonuses and allowance. For the Financial Year, the Group's employee cost, including Directors' emoluments, were approximately RM30.0 million (2023: RM28.0 million). The Directors review the performance of the Group's employees on a periodical basis in order to determine salary adjustment and promotions and keep the Group's remuneration package competitive.

MANAGEMENT DISCUSSION AND ANALYSIS

Comparison of Business Objectives and Strategies with Actual Business Progress

As set out in the prospectus of the Company dated 16 September 2019 (the "**Prospectus**") and the announcement of the Company in relation to change in use of proceeds dated 31 January 2022 (the "**Announcement**"), the business objectives and strategies of the Group are (i) to reserve more capital to satisfy the Group's potential customers' requirement for performance bond; (ii) to expand the Group's workforce; (iii) to acquire machinery; (iv) to finance for the upfront expenditures of new projects; (v) to acquire business; (vi) to set aside for working capital purpose; (vii) to expand and develop of the trading of oil and related products (the "**Oil Trading Business**") and (viii) future investment opportunities in project(s) including but not limited to petrochemical, mineral resources, natural resources, financial investment and oil logistics.

An analysis comparing the future plans and use of proceeds contained in the Prospectus and the Announcement with the Group's actual business progress for the period from the Listing Date to 30 June 2024 (the "**Relevant Period**") is set out below:

i.	To reserve more capital to satisfy the Group's potential customers' requirement for performance bond	—	To purchase performance bond as required for any new project
ii.	To expand the Group's workforce	—	To carry out recruitment including project director, project manager, construction manager, project control manager, interface coordinator, quality assurance engineer environmental manager, quality control head, quality control site manager, health, safety, security and environment head, health, safety, security and environment site manager
		—	Additional staff costs for retaining the aforesaid additional staff
iii.	To acquire machinery	—	To acquire 2 cranes, 3 excavators, dumpers, low loader, 2 roller compactors, water truck, arm roll lorry, micro-bus, compressor, bar benders/cutters, towel lighting, generator
iv.	To finance for the upfront expenditures of new projects	—	To pay for the upfront costs of the Group's projects including startup costs such as subcontracting charges for work done by subcontractors, material costs and direct labour costs
v.	To acquire business	—	To acquire engineering contractors which have Bumiputera ownership
vi.	To set aside for working capital purpose	—	To set aside, together with internal resources of the Group, for general working capital purpose

vii.	To expand and develop of the Oil Trading Business	—	To develop northern PRC market of the Oil Trading Business
		—	To expand its customer base
		—	To secure a supply of higher quality oil products
viii.	Future investment opportunities	—	To pursue future investment opportunities in project(s) including but not limited to petrochemical, mineral resources, natural resources, financial investment and oil logistics

Use of Proceeds

The total net proceeds from the share offer received by the Company after deducting underwriting fees and other related listing expenses were approximately HK$85.0 million (equivalent to RM45.0 million) (the "**Net Proceeds**"). As at 30 June 2024, all of the unutilised Net Proceeds (the "**Unutilised Net Proceeds**") were deposited in the licensed bank or financial institution in Hong Kong, Malaysia or the PRC. During the Relevant Period, the Net Proceeds has been applied as follows:

		Original allocation of the Net Proceeds disclosed in the Prospectus and the 2019 Annual Report	Revised allocation of the Net Proceeds disclosed in the Announcement	Utilised amount of the Net Proceeds up to 30 June 2023	Unutilised Net Proceeds brought forward from 30 June 2023	Utilised amount of Net Proceeds during the Financial Year	Unutilised Net Proceeds as at 30 June 2024
		HK$'million	HK$'million	HK$'million	HK$'million	HK$'million	HK$'million
i	To reserve more capital to satisfy the Group's potential customers' requirement for performance bond	8.9	(8.9)	–	–	–	–
ii	To expand the Group's workforce	13.4	(13.4)	–	–	–	–
iii	To acquire machinery	17.8	(17.8)	–	–	–	–
iv	To finance for the upfront expenditures of new projects	26.7	(8.6)	(11.9)	6.2	–	6.2
v	To acquire business	13.4	(13.4)	–	–	–	–
vi	To set aside for working capital purpose	4.8	12.1	(16.9)	–	–	–
vii	To expand and develop of the Oil Trading Business	–	40.0	(40.0)	–	–	–
viii	Future investment opportunities	–	10.0	(4.2)	5.8	–	5.8
		85.0	0	(73.0)	12.0	–	12.0

CHANGE IN USE OF PROCEEDS

As disclosed in the interim report dated 27 February 2023, the Unutilised Net Proceeds are expected to be fully utilised within 12 months, by 27 February 2024. Such expected timeline is based on the estimation made by the Group which might be subject to changes in accordance with the change in market conditions from time to time.

As at the date of this annual report, the Unutilised Net Proceeds amounted to approximately HK$12 million. After careful consideration and detailed evaluation of the Group's operations and business strategies, the Board has resolved to allocate the Unutilised Net Proceeds, including (i) approximately HK$6.2 million for financing the upfront expenditures of new projects and (ii) approximately HK$5.8 million for future investment opportunities of the Group, to be used as general working capital of the Group, which are expected to be fully utilized by 30 June 2025.

REASONS FOR CHANGE IN USE OF PROCEEDS

Since the global economic activities are still reeling from the aftermath of the pandemic, the situation has been further exacerbated by geopolitical tensions, inflationary pressures and high interest rates, resulting in a complex and volatile business environment. Meanwhile, the sluggish property market in the PRC continues to impact economic activities. These factors have adversely affect the overall performance of the Group. In view of the above, the Group has adopted a cautious and prudent approach in its operation and investment strategies. The Board evaluates the trends in the economic and business environment in Malaysia and the PRC to determine the most effective and efficient use of the Unutilised Net Proceeds.

The Board considers that the change in use of the Unutilised Net Proceeds will allow the Group to deploy its financial resources more effectively and is in the interests of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Tan Hun Tiong ("Mr. HT Tan"), aged 68, joined the Group in September 1975. He was appointed as a Director on 8 November 2018 and re-designated as the chairman and an executive Director on 29 January 2019. Mr. HT Tan is also a director of certain subsidiaries of the Group. He is responsible for the overall management of the Group and overseeing and managing the projects of the Group including monitoring the works and progress of site developments as well as the site management and liaison with subcontractors in all site related matters.

Mr. HT Tan has accumulated over 48 years' experience in the civil construction industry since he joined the Group as project superintendent in 1975. He was appointed as a director of Tan Bock Kwee & Sons Sdn. Bhd. ("**TBK**") in July 1981 and Prestasi Senadi Sdn. Bhd. ("**Prestasi Senadi**") in December 1994 and finally promoted to be the project director of the Group in 1997. Mr. HT Tan is brother of Mr. HP Tan and father of Mr. Tan Yeong Li.

Mr. HT Tan completed his secondary education to form five in Malaysia in 1973. Mr. HT Tan was previously a director/partner of the companies shown in the table below which were struck off, dissolved or expired due to cessation of business:

Name of company	Place of incorporation/ registration	Nature of business	Date of cessation of being a director/ partner	Status date	Status
D'lifestyle Design Sdn Bhd	Malaysia	Dormant	13 November 2018	13 November 2018	Dissolved
Rank Projects Sdn Bhd	Malaysia	Property development	18 August 2010	18 August 2010	Dissolved
Vibrant Returns Sdn Bhd	Malaysia	Trading of sand	14 October 2011	14 October 2011	Dissolved
Jelai Teguh Enterprise	Malaysia	General, electrical, mechanical, laboratory, furniture contractor	12 October 2007	12 October 2007	Expired

Mr. Tan Han Peng ("Mr. HP Tan"), aged 59, joined the Group in March 1996. He was appointed as a Director on 8 November 2018 and re-designated as an executive Director and the chief executive officer of the Company on 29 January 2019. Mr. HP Tan is also a member of the Remuneration Committee and the Nomination Committee and a director of certain subsidiaries of the Group. He is mainly responsible for the overall strategic planning, management, operation and business development of the Group and oversees day-to-day aspects of its operations including finance, contracts and logistics operations and implements strategies that aim to achieve the Group's missions.

Mr. HP Tan has accumulated approximately 28 years' experience in the civil construction industry since he joined the Group as project manager in 1996. He was appointed as a director of TBK in April 1997 and Prestasi Senadi in June 1997 and promoted to be the managing director of the Group in April 1997. Prior to joining the Group, Mr. HP Tan worked as a programmer with Arthur Andersen Sdn. Bhd. from 1989 to 1990. From 1990 to 1992, he worked as a system analyst with Andersen Consulting Sdn. Bhd. Since 1992, he has run a housing development company in Malaysia.

Mr. HP Tan obtained a Bachelor of Science degree from the University of Wisconsin Green Bay, United States of America, in May 1988. Mr. HP Tan is brother of Mr. HT Tan.

Mr. HP Tan was previously a director/partner of the companies shown in the table below which were struck off, dissolved or expired due to cessation of business:

Name of company	Place of incorporation/ registration	Nature of business	Date of cessation of being a director/ partner	Status date	Status
Rank Projects Sdn Bhd	Malaysia	Property development	18 August 2010	18 August 2010	Dissolved
Vibrant Returns Sdn Bhd	Malaysia	Trading of sand	14 October 2011	14 October 2011	Dissolved
Wenzhou Jilong Tyre Sdn Bhd	Malaysia	Investment	26 December 2006	26 December 2006	Dissolved
Millennia Technologies Sdn Bhd	Malaysia	Dormant	23 October 2017	23 October 2017	Dissolved
Tanjung Kelana Sdn Bhd	Malaysia	Investment	26 December 2006	26 December 2006	Dissolved
Beauty Focus	Malaysia	Help center	12 June 2018	12 June 2018	Expired

Mr. Tang Zhiming ("Mr. Tang"), aged 51, was appointed as an executive Director on 4 February 2021. He is also a director of certain subsidiaries of the Group. Mr. Tang has over ten years of experience in the oil product trading business. He is also a director and general manager of Foundation International Resources Limited (匯基國際資源有限公司) since June 2011, where he is mainly responsible for non-ferrous metal mining and oil business in West Africa. Mr. Tang was a director and a general manager of Shenzhen Qianhai Xianglong Petrochemical Company Limited* (深圳前海祥龍石油化工有限公司) from December 2016 to May 2021, where he was mainly responsible for the trading of crude oil, diluted asphalt, refined oil and petroleum products. Mr. Tang worked as a director and general manager of Harvest Resources International Limited (利泰豐資源國際有限公司) from August 2011 to December 2016, where he was mainly responsible for mining investment and development business in West Africa. He worked as a general manager of Lian Zhou Shi Qing He Mineral Processing Company Limited* (連州市清和選礦有限公司) from August 2008 to May 2011, where he was mainly responsible for mining, processing and trading of iron ore, lead-zinc ore and other non-ferrous metal minerals.

Mr. Tang completed his secondary education at Guangdong Province Qingyuan Lianzhou City Xingjiang College* (廣東省清遠連州市星江中學), the PRC in 1991.

* *For identification purposes only*

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chen Da ("Mr. Chen"), aged 42, was appointed as an executive Director on 9 November 2021. He is also a director of certain subsidiaries of the Group. Mr. Chen has over fifteen years of experience in natural resource trading business. He has worked as the general manager of Global Engineering & Trading (HONG KONG) Limited since November 2019, where he is mainly responsible for operating and managing international trade and logistics business. Prior to that, he worked at Wu Kuang International Engineering & Technology Company Limited* (五礦國際工程技術有限公司) from November 2008 to October 2019, where he started off as the Project Manager and was gradually promoted to be the Deputy General Manager. While he worked as the Deputy General Manager, he was responsible for the management of international business activities of the company in countries other than China.

Mr. Chen completed his undergraduate studies at University of International Business and Economics in China in July 2005, majoring in international economics and trade. In addition, he took an International Business Program as an international exchange student at University of Victoria in Canada in 2004.

NON-EXECUTIVE DIRECTOR

Ms. Chooi Pey Nee ("Ms. Chooi"), aged 56, was appointed as a Director on 24 January 2019 and was re-designated as a non-executive Director on 29 January 2019. Ms. Chooi has over 25 years of professional experience in audit, dealing in securities, operations of fund management companies and compliance.

Ms. Chooi joined Stahl Associates Pte. Ltd. from January 2021 to April 2021 and was then transferred to Kibo Invest Pte. Ltd. where she currently holds the position of Head of Compliance and Administration. From June 2017 to May 2023, she was an independent non-executive director of GT Steel Construction Group Limited (currently known as Plateau Treasures Limited), a company listed on GEM of the Stock Exchange (Stock code: 8402). Ms. Chooi has been appointed as an independent non-executive director of CNMC Goldmine Holdings Limited, the first Catalist-listed gold producer on the SGX (CNMC: SP) with effect from 30 April 2024.

Ms. Chooi graduated from the University of Malaya, Malaysia with a degree of Bachelor of Accounting in July 1993. Her relevant professional experience are as follows: from 1993 to 2003, Ms. Chooi worked as an auditor at Price Waterhouse and worked in various firms such as Halim Securities Sdn Bhd, Pengkalan Securities Sdn Bhd and AM Securities Sdn Bhd in Malaysia where she gained exposure and experience in brokerage, analysis, portfolio management, equity research and investment analysis, etc.; from August 2011 to March 2015, she worked at ISR Capital Limited (formerly known as Asiasons WFG Financial Ltd.) and her last held the position of head of compliance; from March 2015 to December 2015, she worked as the chief operating officer at Kingsbridge Capital Pte. Ltd. (formerly known as Infiniti Asset Management Pte. Ltd.); from July 2016 to June 2017, she worked at Four Seasons Asia Investment Pte. Ltd. and her last held position was vice president of compliance and internal audit; and from July 2017 to December 2020, Ms. Chooi worked at Soochow Securities CSSD (Singapore) Pte. Ltd. and held the position of vice president, compliance, risk management & admin.

* *For identification purposes only*

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Hoe Tin ("Mr. Chu"), aged 41, was appointed as an independent non-executive Director on 5 September 2019. Mr. Chu is also the chairman of the Audit Committee and a member of the Nomination Committee. He has over 18 years of professional experience in accounting, audit, taxation and company secretarial work. Mr. Chu has been the company secretary of SRE Group Limited, a company listed on the Stock Exchange (stock code: 1207), since July 2019.

Mr. Chu has been a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Hong Kong Institute of Chartered Secretaries (currently known as the Hong Kong Chartered Governance Institute) since 2013 and 2019 respectively. Mr. Chu graduated with a Bachelor of Arts (Hons) in Accounting from Napier University, United Kingdom in January 2007 and obtained the degree of Master of Corporate Governance by The Open University of Hong Kong (currently known as Hong Kong Metropolitan University) in November 2018.

Mr. Ng Ying Kit ("Mr. Ng"), aged 46, was appointed as an independent non-executive Director, chairman of the Remuneration Committee and a member of the Audit Committee with effect from 27 October 2020. Mr. Ng has more than 11 years of experience in corporate finance and investment banking and has considerable experience in mergers and acquisitions, debt and equity financing and corporate strategic planning. He held senior management position in a Hong Kong listed company overseeing the corporate finance function.

He is currently an executive director of Grand Ocean Advanced Resources Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 65) since February 2015 where he is mainly responsible for the business development and corporate finance function. Mr. Ng graduated from the University of Hong Kong with a Bachelor's degree in Electrical and Electronic Engineering.

Mr. Wong Sze Lok ("Mr. Wong"), aged 51, was appointed as an independent non-executive Director, the chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee on 4 February 2021. Mr. Wong has extensive experience in auditing and corporate governance. He currently holds the position of principal of Infinity CPA Limited. Mr. Wong is currently an independent non-executive director of Aowei Holding Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 1370), since April 2021, Cocoon Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 428), since April 2021, China e-Wallet Payment Group Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 802) with effect from 29 February 2024, and IVD Medical Holding Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 1931) with effect from 28 March 2024. Mr. Wong was appointed as the chief financial officer of Century Entertainment International Holdings Limited (formerly known as Amax International Holdings Limited), a company listed on the Main Board of the Stock Exchange (Stock code: 959), from 2012 to 2019 and was appointed as the company secretary of Unitas Holdings Limited, a company listed on GEM of the Stock Exchange (Stock code: 8020), from August 2018 to April 2024. Mr. Wong was an independent non-executive director of Grand Field Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 115), from July 2018 to July 2021.

Mr. Wong obtained a bachelor of arts degree in accountancy from The Hong Kong Polytechnic University in November 1996, a master of management degree from Macquarie University in November 2004 and a certificate of higher education in Law from the University of Essex in December 2021. Mr. Wong is currently a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Institute of Chartered Accountants in England and Wales and a Certified Information Systems Auditor.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. Low Yik Son, aged 47, is the head of contract, tender and procurement of the Group. Mr. Low began his career when he joined the Group as a surveyor and site supervisor in 1998 and has since accumulated approximately 25 years of experience in the construction industry. He rose through the ranks and was promoted as assistant project manager in 2004 and later promoted as head of contract, tender and procurement in 2017. Mr. Low currently oversees all aspects of the operations of the contract, tender and procurement division including cost estimation, budget calculation and negotiation of contracts. Mr. Low is responsible for managing the Group's day-to-day purchasing activities in order to lower the costs of doing business and briefing contracts and technical information to employees.

Mr. Low obtained a Certificate in Technology (Architecture) from Tunku Abdul Rahman College in May 1997.

Mr. Tan Yeong Li, aged 40, is the head of logistics and fixed assets of the Group. He joined the Group as site supervisor in 2004 and has since accumulated approximately 19 years of experience in the construction industry. He was promoted as project coordinator in 2008 and was subsequently promoted as head of logistics and fixed assets in October 2018. Mr. Tan currently oversees equipment and logistic arrangements to various projects and coordinates with and provide supports to project teams. Mr. Tan is son of Mr. HT Tan.

Mr. Tan obtained a Bachelor of Business (Information Systems) degree from Swinburne University of Technology, Australia in July 2007.

Mr. Surendran Tanchontuan, aged 40, is project manager of the Group. He joined the Group as safety and site supervisor in 2004 and has since accumulated approximately 19 years of experience in the construction industry. He was promoted as site manager in 2008 and was subsequently promoted as project manager in 2017. Mr. Tanchontuan is responsible for supervising construction workers, monitoring activities on site as well as developing work-around for project delays and other issues. He also trains workers and subcontractors and ensures all projects meet all health and safety codes.

Mr. Tanchontuan obtained a diploma in civil engineering in July 2006 from Port Dickson Polytechnic of Ministry of Higher Education in Malaysia.

Mr. Lam Tze Chung, aged 52, joined the Group in September 2019 as finance manager of the Group and was subsequently promoted as the chief financial officer of the Group in April 2022. He is also a director of a subsidiary of the Company. Mr. Lam has over 20 years of working experience in the accounting, financial management and several listed companies in Hong Kong.

Mr. Lam obtained a degree of Bachelor of Arts in Accountancy in 2008 from The Hong Kong Polytechnic University and a degree of Master of Science in Finance in 2013 from City University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants.

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Mr. Lam Wing Tai, aged 58, was appointed as the company secretary on 24 January 2019. He has been the company secretary of Astrum Financial Holdings Limited, a company listed on GEM of the Stock Exchange (Stock code: 8333), since December 2021. Mr. Lam was the company secretary of Linocraft Holdings Limited, a company listed on GEM of the Stock Exchange (Stock code: 8383), from April 2017 to September 2024. From 1992 to 2016, he worked in various firms in different industries as accountant, financial controller, director and company secretary and carried on his own business ventures and investments between 2001 and 2011.

Mr. Lam was admitted as a certified practicing accountant of the Certified Practicing Accountants Australia in May 1995 and a certified public accountant of the Hong Kong Institute of Certified Public Accountants in January 1996. He studied accounting at the Australian National University and obtained a bachelor degree in commerce in 1991. He is a non-practising member of the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

The Board recognises the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company has adopted the principles and the code provisions of the Corporate Governance Code (the "**CG code**") as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The Board is responsible for establishing the Company's purpose, values and strategy as well as maintaining good corporate governance which provides the framework within which the Board forms their decisions and build their businesses. The Board focuses on creating long-term sustainable growth for Shareholders and delivering long-term values to all stakeholders. The Board believed that an effective corporate governance structure allows the Company to have a better understanding of, evaluate and manage, risks and opportunities (including environmental, social and governance (the "**ESG**") risks and opportunities).

Maintaining the lawful, ethical and responsible manner is one of the core values of the Company. All Directors would act with integrity, lead by example, and promote the desired culture. Such culture instils and continually reinforces across the corporate values. The Board closely monitored the implementation of corporate governance practice, risk management and internal control systems to ensure the corporate value and the Company's culture are aligned.

To the best of the knowledge of the Board, the Company has complied with the applicable CG code during the Financial Year. The Board will periodically review on the Company's corporate governance functions and will continuously improve the Company's corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "**Model Code**") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the requirements of the Model Code throughout the Financial Year.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Responsibilities

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's mission and standards and ensures that the requisite financial and human resources support is in place for the Group to achieve its objectives.

In accordance with the requirements of the Listing Rules, the Company has established three Board committees, namely an audit committee (the "**Audit Committee**"), a remuneration committee (the "**Remuneration Committee**") and a nomination committee (the "**Nomination Committee**") with specific written terms of reference which are published on the respective websites of the Stock Exchange and the Company.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties of the Company including:

(a) to establish the Company's purpose, values and strategy and satisfy itself that these and the Company's culture are aligned;

(b) to develop and review the Company's policies and practices on corporate governance;

(c) to review and monitor the training and continuous professional development of directors and senior management;

(d) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(e) to review and monitor the Company's risk management policies and standards, internal control system and the ESG policies and guidelines and the compliance thereof;

(f) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the members of the Group;

(g) to monitor each of the Company's Audit Committee, the Remuneration Committee and the Nomination Committee (or such other Board committee from time to time established) to ensure that each has duly discharged their respective duties and obligations in accordance with their respective terms of reference, the Listing Rules and any applicable laws and regulations; and

(h) to review the Company's compliance with the CG code and disclosure in the Company's Corporate Governance Report and the ESG Report as required under the Listing Rules.

The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The management of day-to-day operation of the Group's businesses and implementation of the business plans, strategies and policies adopted by the Board has been delegated to the senior management of the Group. The delegation of authority includes responsibility for:

(a) developing and formulating business plans, budgets, strategies, business and financial objectives of the Company for consideration by the Board, and to the extent approved by the Board, implementing these plans, budgets, strategies and objectives;

(b) operating the Company's businesses within the parameters set by the Board from time to time, and keeping the Board informed of material developments of the Company's businesses;

(c) where proposed transactions, commitments or arrangements exceed the parameters set by the Board, referring the matter to the relevant Board Committee or the Board for its consideration and approval;

(d) identifying and managing operation and other risks, and where those risks could have a material impact on the Company's businesses, formulating strategies for managing these risks for consideration by the Board;

(e) ensuring that the Board is provided with sufficient information and explanation on a timely basis in regard to the Company's businesses, and in particular with respect to the Company's performance, financial condition, operating results and prospects, to position the Board to fulfill its governance responsibilities and to enable it to make an informed assessment for matters including financial information put before the Board for approval;

(f) providing the Board with monthly updates giving a balanced and understandable assessment of the Company's performance under the Listing Rules;

(g) implementing the policies, processes, CG code and Model Code approved by the Board; and

(h) implementing policies, processes and procedures for the management and development of the Company's employees.

The Directors have full access to information of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY POLICY

The Group has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Group's business growth. Pursuant to the Board Diversity Policy, selection of candidates will be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, age, professional qualifications, industry experience etc.) will be disclosed in the Corporate Governance Report annually.

The Nomination Committee is responsible for ensuring the diversity of the Board and reviewing the Board Diversity Policy from time to time to ensure its continued effectiveness and the Group will disclose the implementation of the Board Diversity Policy in the Corporate Governance Report on an annual basis.

As at the date of this report, the Board comprises four executive Directors, one non-executive Director and three independent non-executive Directors. The Board has a diversity of perspectives appropriate to the requirements of the business of the Company. The Board comprises a range of expertise including civil construction, oil product and natural resource trading, corporate finance and investment banking, as well as audit and corporate governance. The mix of the skills and background of the Directors are appropriate taking into account the business nature, business and corporate strategy of the Company.

The Board considers that its current Board composition is diversified with appropriate balanced professional background, skill, experience, gender and age. While the Board has a domination of male composition, the Company has one female Director achieving a female representation in the Board.

The Board recognises the importance of having continuity in the management of the Company, and leaders with appropriate skills and experience to support the delivery of the Group's strategic priorities. Succession planning is a regular Board agenda item and considered by the Board annually.

As at 30 June 2024, the gender ratio of the Group's workforce was approximately 93.0% male to 7.0% female. The Group's hiring is merit-based and non-discriminatory. More details on the Group's diversity are set out in the ESG Report 2024. The Board is satisfied that the Company has achieved gender diversity in its workforce.

NOMINATION POLICY

The Group has also adopted a nomination policy (the "**Nomination Policy**") which provides for the nomination procedures and the process and criteria adopted by the Nomination Committee in the selection and recommendation of candidates for directorship. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee shall ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The selection criteria listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate, including but not limited to, character and integrity; qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy; accomplishment and experience in the business from time to time conducted, engaged in or invested in by any member of the Group; commitment in respect of available time and relevant interest; requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules; Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board; and such other perspectives appropriate to the Company's business. These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Nomination Procedures

For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation. The Board shall have the ultimate responsibility for selection and appointment of Directors.

The Nomination Committee shall, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the selection criteria to determine whether such candidate is qualified for directorship.

If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

For any person that is nominated by a shareholder for election as a director at the general meeting of the Company pursuant to its constitutional documents, the Nomination Committee shall evaluate such candidate based on the selection criteria to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to Shareholders in respect of the proposed election of director at the general meeting.

The Nomination Committee shall review the overall contribution and service to the Company of the retiring director including his/her attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance on the Board and shall also review and determine whether the retiring director continues to meet the selection criteria.

Composition

The Company is committed to the view that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors (the "**INED(s)**")) so that there is an independent element on the Board, which can effectively exercise independent judgement, and that non-executive Directors should be of sufficient caliber and number for their views to carry weight.

As at the date of this report, the Board comprises the following Directors:

Executive Directors
Mr. Tan Hun Tiong *(Chairman)*
Mr. Tan Han Peng *(Chief executive officer)*
Mr. Tang Zhiming
Mr. Chen Da

Non-executive Director
Ms. Chooi Pey Nee

Independent Non-executive Directors
Mr. Chu Hoe Tin
Mr. Ng Ying Kit
Mr. Wong Sze Lok

The biographical details of each of the Directors are set out in the section headed "Directors and Senior Management" of this annual report.

Save as disclosed, there was no financial, business, family or other material/relevant relationship among the Directors.

The INEDs have brought in a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

The Company has appointed three INEDs, representing more than one-third of the Board members, which has exceeded the requirements of the Listing Rules that the number of INEDs must represent at least one-third of the Board members, and has met the requirement that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written confirmation from each of the INEDs in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all INEDs are independent.

Mechanism regarding independent views to the Board

The Company recognises that Board independence is critical to good corporate governance and board effectiveness. The Board is committed to assessing this on an ongoing basis with regard to all relevant factors concerned and not just limited to where the Director whose length of service exceeds nine years. The Board has in place effective mechanisms to ensure independent views and input are available to the Board. The following mechanisms are established by the Board and the implementation and effectiveness of such mechanisms will be reviewed annually. The Board considers that such mechanisms have been implemented properly and effectively.

1. *Composition of Board*

   The Board comprises eight Directors, including four executive Directors, one non-executive Director and three INEDs. The Company has appointed three INEDs, representing more than one-third of the Board members, which has exceeded the requirements of the Listing Rules that the number of INEDs must represent at least one-third of the Board members, and has met the requirement that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise. INEDs will also be appointed to Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

2. *Independence Assessment*

   The Nomination Committee, a majority of which is comprised of INEDs, assesses the suitability and independence of potential candidates to be appointed as INEDs and reviews annually the independence of all INEDs by reference to the independent criteria as set out in the Listing Rules to ensure they can continually exercise independent judgement.

3. *Compensation*

   All INEDs receive fixed director fee(s) for their role as members of the Board. No equity-based remuneration (e.g. share options or grants) with performance-related elements will be granted to the INEDs as this may lead to bias in their decision-making and compromise their objectivity and independence.

4. *Board Decision Making*

   The Directors (including INEDs) are entitled to seek further information and documentation from the management on the matters to be discussed at Board meetings. They can also seek independent professional advice in appropriate circumstances at the Company's expense. Any Directors (including INEDs) and their close associates (as defined in the Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and are not counted in the quorum of the meetings.

5. *Board Evaluation*

   The Board assesses and reviews the time contributed by every INED and their attendance to meetings of the Board and the Board committees so as to ensure that every INED has devoted sufficient time and make contributions to the Company that are commensurate with their role and board responsibilities.

Proper insurance coverage in respect of legal action against the Directors' liability has been arranged by the Company.

CONTINUING PROFESSIONAL DEVELOPMENT

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant. Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. The Company has also provided the Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements during the Financial Year. All Directors are encouraged to participate in continuous professional development activities to develop and refresh their knowledge and skills.

All Directors confirmed that they have complied with the CG code on directors' training. During the Financial Year, all Directors namely, Mr. Tan Hun Tiong, Mr. Tan Han Peng, Mr. Tang Zhiming, Mr. Chen Da, Ms. Chooi Pey Nee, Mr. Chu Hoe Tin, Mr. Ng Ying Kit and Mr. Wong Sze Lok, have participated in continuous professional development by attending seminars, courses or conferences or reading related materials to develop and refresh their knowledge and skills.

MEETINGS OF BOARD AND DIRECTORS' ATTENDANCE RECORDS

The Board shall meet regularly at least 4 times a year with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice is given in a reasonable time in advance. The Directors are allowed to include any other matters in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at the Board meetings and to make informed decisions, an agenda and the accompanying Board papers together with all appropriate and relevant information in relation to the matters of the meetings are sent to all Directors at least 3 business days before the intended date of each regular Board Meeting and 3 business days or such other period as agreed before each other Board meeting. All Directors should have access to the advice and services of the company secretary of the Company (the "**Company Secretary**") with a view to ensuring that Board procedures and all applicable rules and regulations are followed. The Company Secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for their comments and records within a reasonable time after each meeting and the final version is open for the Directors' inspection. According to the Listing Rules, any Directors and their close associates (as defined in the Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and are not counted in the quorum of the meetings.

During the Financial Year, the Board held 4 meetings and passed 3 written resolutions, at which the Directors discussed and approved, amongst other matter, (i) the Group's audited financial statements, the director's report and the independent auditor's report for the year ended 30 June 2023, the ESG report 2023 and the interim results for the six months ended 31 December 2023; (ii) profit warning and inside information; (iii) the proposed amendments to the existing memorandum and articles of association and adoption of the new memorandum and articles of association; and (iv) the overall strategic direction and objectives of the business and other significant matter of the Group.

The attendance of each Director at the Board meetings during the Financial Year is as follows:

Name of Directors	Board Meetings Attended/Eligible to Attend
Executive Directors	
Mr. Tan Hun Tiong *(Chairman)*	4/4
Mr. Tan Han Peng *(Chief executive officer)*	4/4
Mr. Tang Zhiming	4/4
Mr. Chen Da	1/4
Non-executive Director	
Ms. Chooi Pey Nee	4/4
Independent Non-executive Directors	
Mr. Chu Hoe Tin	4/4
Mr. Ng Ying Kit	4/4
Mr. Wong Sze Lok	4/4

Apart from the Board meetings, the Chairman held a meeting with the INEDs without the presence of the executive Directors during the Financial Year.

The annual general meeting (the "**AGM**") of the Company for the financial year ended 30 June 2023 was held on 15 December 2023. The attendance of each Director at the AGM during the Financial Year is as follows:

Name of Directors	AGM Attended/ Eligible to Attend
Executive Directors	
Mr. Tan Hun Tiong *(Chairman)*	1/1
Mr. Tan Han Peng *(Chief executive officer)*	1/1
Mr. Tang Zhiming	1/1
Mr. Chen Da	0/1
Non-executive Director	
Ms. Chooi Pey Nee	1/1
Independent Non-executive Directors	
Mr. Chu Hoe Tin	1/1
Mr. Ng Ying Kit	1/1
Mr. Wong Sze Lok	1/1

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE

According to the CG Code, the roles of the chairman and the chief executive should be separate and performed by different individuals to ensure a balance of power and authority so that power is not concentrated in any one individual. Mr. Tan Hun Tiong, the executive Director, is the Chairman and is responsible for the leadership of the Board while Mr. Tan Han Peng, the executive Director, is the chief executive officer (the "**CEO**") and is responsible for managing the Group's business and overall operations.

NON-EXECUTIVE DIRECTORS

The non-executive Director, Ms. Chooi Pey Nee and the INED, Mr. Chu Hoe Tin, had entered into a letter of appointment with the Company on 5 September 2019. Each of appointment is for an initial term of one year commencing from the Listing Date and shall continue thereafter unless terminated by either party giving at least one month's notice in writing.

The INEDs, namely Mr. Ng Ying Kit and Mr. Wong Sze Lok had entered into a letter of appointment with the Company on 27 October 2020 and 4 February 2021, respectively. Each of appointment is for an initial term of one year commencing from the date of appointment and shall continue thereafter unless terminated by either party giving at least one month's notice in writing.

All Directors are subject to retirement by rotation and re-election at annual general meeting in accordance with the Company's articles of association (the "**Articles**").

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties. The written terms of reference for Board committees are posted on the respective websites of the Stock Exchange and the Company.

Audit Committee

The Audit Committee was established on 5 September 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three INEDs, namely Mr. Chu Hoe Tin, Mr. Ng Ying Kit and Mr. Wong Sze Lok. The chairman of the Audit Committee is Mr. Chu Hoe Tin.

The role of the Audit Committee includes reviewing and monitoring the Group's external auditor's independence and objectivity and the effectiveness of the audit process, monitoring the integrity of the Group's financial information and reviewing significant financial reporting judgements and overseeing the Group's financial reporting system and risk management and internal control systems.

During the Financial Year, the Audit Committee held 3 meetings, at which the Audit Committee has reviewed and discussed (i) the Group's consolidated results for the year ended 30 June 2023 and the interim results for the six months ended 31 December 2023; (ii) the effectiveness of the Group's internal control and risk management systems and the Group's internal audit function and recommended to the Board for consideration of the same; (iii) audit planning; and (iv) the re-appointment of BDO Limited as the Company's external independent auditor.

The attendance of each member at the Audit Committee meetings ("**AC Meetings**") during the Financial Year is as follows:

Name of Directors	AC Meetings Attended/Eligible to Attend
Mr. Chu Hoe Tin	3/3
Mr. Ng Ying Kit	3/3
Mr. Wong Sze Lok	3/3

Remuneration Committee

The Remuneration Committee was established on 5 September 2019 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG code. The Remuneration Committee comprises three Directors, namely Mr. Ng Ying Kit, Mr. Tan Han Peng, and Mr. Wong Sze Lok. The chairman of the Remuneration Committee is Mr. Ng Ying Kit.

The role of the Remuneration Committee includes making recommendations to the Board on the Group's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing the Group's remuneration policy, reviewing and approving management's remuneration proposals, determining or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, making recommendations to the Board on the remuneration of Directors, reviewing and approving compensation payable to executive Directors and senior management for loss of office, reviewing and approving compensation arrangements relating to the dismissal or removal of Directors, ensuring that no Director or his/her associate is involved in deciding his/her own remuneration, and reviewing and/or approving matters relating to share schemes of the Company.

During the Financial Year, the Remuneration Committee held 2 meetings, at which the Remuneration Committee has reviewed and discussed (i) the remuneration package of all Directors and making recommendation to the Board and (ii) the terms of reference of Remuneration Committee. Details of the Director's remuneration policy and Share Option Scheme are set out in the report of the Directors and the details of remuneration paid to the Directors and members of senior management by band for the Financial Year are disclosed in the Notes 11 and 12 to the consolidated financial statements. Since there was no share option granted under the Share Option Scheme during the Financial Year, no material matter relating to the Share Option Scheme was reviewed by the Remuneration Committee pursuant to Chapter 17 of the Listing Rules.

The attendance of each member at the Remuneration Committee meetings ("**RC Meetings**") during the Financial Year is as follows:

Name of Directors	RC Meetings Attended/Eligible to Attend
Mr. Ng Ying Kit	2/2
Mr. Tan Han Peng	1/2
Mr. Wong Sze Lok	2/2

Nomination Committee

The Nomination Committee was established on 5 September 2019 with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the CG code. The Nomination Committee comprises three Directors, namely Mr. Wong Sze Lok, Mr. Chu Hoe Tin and Mr. Tan Han Peng. The chairman of the Nomination Committee is Mr. Wong Sze Lok.

The role of the Nomination Committee includes conducting an annual review of the structure, size and composition of the Board and making recommendations on any proposed changes to the Board, identifying suitably qualified individuals to become Board members and making recommendations to the Board on the selection of individuals nominated for Board membership with due regard to the Nomination Policy and Board Diversity Policy, assessing the independence of the INEDs and making recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors.

During the Financial Year, the Nomination Committee held 1 meeting, at which the Nomination Committee (i) reviewed the board structure, the Nomination Policy and the Board Diversity Policy; and (ii) assessed the independence of the INEDs and recommended to the Board for consideration the re-appointment of all the retiring Directors at the AGM.

The attendance of each member at the Nomination Committee meetings ("**NC meetings**") during the Financial Year is as follows:

Name of Directors	NC Meetings Attended/Eligible to Attend
Mr. Wong Sze Lok	1/1
Mr. Chu Hoe Tin	1/1
Mr. Tan Han Peng	1/1

AUDITORS' REMUNERATION

For the Financial Year, BDO Limited and other member firm of BDO (together "**BDO**") was engaged as the Group's independent auditors. The remuneration paid/payable to BDO for the Financial Year is set out below:

Category of services	**Amounts** RM'000
Audit services — Annual audit	906
Non-audit services — Agreed-upon procedures on interim results	84
Non-audit services — Taxation service	43

ACCOUNTABILITY AND AUDIT

The Board is committed to provide a balanced, clear and comprehensive assessment of the Group's performance, position and prospects in annual and interim reports, and other financial disclosures required by the Listing Rules. The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group which give a true and fair view of the state of affairs of the Group and the Group's results and cash flows for the Financial Year and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

The Management will provide the Board with monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

In addition, BDO Limited has stated in the independent auditor's report its reporting responsibilities on the Group's consolidated financial statements for the Financial Year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Directors confirmed that during the ordinary course of the Group's business, the Group is exposed to various types of risks, including (i) control risks relating to the overall monitoring system; (ii) regulatory risks in relation to the Group's business; (iii) operational risk; and (iv) ESG risks.

The Group has designed and implemented risk management policies to address these potential risks (including ESG risks) identified in relation to the Group's business. The Group's risk management system sets out procedures to identify, analyse, assess, mitigate and monitor any potential risks. The executive Directors are responsible for overseeing the overall risk management system and each department carries out their own risk management identification exercise and proposes risk response plan according to the overall risk assessment program. Each department of the Group is required to set up appropriate risk management strategies based on the risk identified and their proposed risk response plan and is responsible for the implementation and supervision. For material deficiency or risks identified, the relevant department should report the situation to the Board for further investigation, internal control review and enhancement and supervision. Additionally, the Board should consider the changes in the nature and extent of significant risks (including ESG risks) since the last annual review and the Group's ability to respond to changes in its business and the external environment.

The Group has adopted the following corporate governance and internal control measures to monitor the ongoing implementation of its risk management policies and corporate governance measures. The Directors believe that the Group's internal control system is sufficient in terms of comprehensiveness, practicability and effectiveness. The Group will refine and enhance its internal control systems to respond to any new requirements of its operations as appropriate. To strengthen the Group's internal control and ensure future compliance with the applicable laws and regulations (including the Listing Rules), it has adopted the following additional internal control measures:

(i) the Group established an Audit Committee and established formal arrangements to apply financial reporting and internal control principles in accounting and financial matters to ensure compliance with the Listing Rules and all relevant laws and regulations;

(ii) the Group's internal control measures, policies and procedures which were codified, adopted and implemented by it, have been updated and revised;

(iii) subject to recommendation from the Group's Audit Committee, it will appoint an external internal control adviser to perform periodic review of its internal control system to evaluate the effectiveness and formulate plans and recommendations for improvement of its internal control measures and policies;

(iv) the Group appointed its executive Director, Mr. HP Tan, as compliance officer. He will be responsible for, among other things, the oversight of compliance of applicable laws and regulations; and

(v) each of the Directors received and reviewed a training memorandum prepared by the Group's Hong Kong legal advisers and attended a training session conducted by its Hong Kong legal advisers or received and reviewed relevant training materials in relation to responsibilities and duties of directors of a listed company in Hong Kong.

During the Financial Year, the Group engaged an independent internal control consultant to review the Group's financial procedures, system and internal control systems. Based on review and procedures conducted, the Board considers that the Group's risk management and internal control systems are effective and adequate. However, the risk management and internal control systems of the Group are designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board also included a review of adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting function as well as the function relating to its ESG performance and reporting.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has established and maintained the procedures and internal controls for the handling and dissemination inside information. The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group has strictly prohibited unauthorized use of confidential or inside information or any use of such information for the advantage of himself or others. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the Listing Rules will be announced on the respective websites of the Stock Exchange and the Company in due course.

WHISTLEBLOWING POLICY

The Company has adopted the whistleblowing policy (the "**Whistleblowing Policy**"). The mechanism of the Whistleblowing Policy applies to any suspected improprieties involving employees as well as consultants, vendors, contractors, suppliers, customers and/or any other parties with a business relationship with the Group. This mechanism is designed to enable employees and third parties dealing with the Group to express their concerns and to disclose information which the whistle-blower believes to be an indicator of malpractice or impropriety.

If an employee or a third party dealing with the Group becomes aware of any actual or suspected fraud, malpractice, misconduct, impropriety or irregularity, he/she is encouraged to report such incident(s) directly to any member of the Audit Committee, who will investigate the case and determine an appropriate course of action in response (including but not limited to referring the case to the Board and/or the management of the Company).

The Group will do its utmost to protect the whistle-blower's identity. However, there may be instances in the investigation process which require the identity of the whistle-blower to be made known (e.g. when the source of the information or a witness is required).

ANTI-CORRUPTION POLICY

The Company has adopted the anti-corruption policy (the "**Anti-corruption Policy**"). The Group believes in fairness and honesty in business dealings. Without the prior consent of the Company, no employee and/or their family member(s) should accept, from any person, firm, company or organisation which has dealings with the Group, either directly or indirectly, any commission, rebate, spotter's fee, gratuity, loan, gift or favour, monetary or otherwise, nor should any Group employee ask for or solicit any such benefits from such person, firm, company or organisation in any manner.

Acceptance of or solicitation for any such benefit(s) could be a criminal offence under the relevant local anti-bribery laws. It will be reported to the authority. It will also result in disciplinary action by the Group. Employees should exercise good judgement and shall report business courtesies to the Audit Committee and/or the Board. Any exceptional case or pre-approval may be made by the Company on a case-by-case basis.

COMPANY SECRETARY

Mr. Lam Wing Tai ("**Mr. Lam**") was appointed as the Company Secretary on 24 January 2019, whose biographical details are set out in the section headed "Directors and Senior Management" in this annual report. Mr. Lam has confirmed that he had attained no less than 15 hours of relevant professional training as required by Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to require an extraordinary general meeting (the "EGM") (including making proposals/moving a resolution at the EGM) to be called by the Board

In accordance with Article 58 of the Articles, any one or more Member(s) (including a recognised clearing house (or its nominee(s))) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis in the share capital of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition and the foregoing Member(s) shall be able to add resolutions to the meeting agenda; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisition must state clearly the name of the requisitionist(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM, the agenda of the EGM including the details of the business(es) proposed to be transacted at the EGM, signed by the requisitionist(s) concerned.

As regards proposing a person for election as a Director, please refer to the "Procedures for Shareholders to propose a person for election as a director of the Company" which is posted on the Company's website.

Procedures for Shareholders to send enquires to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong.

COMMUNICATION WITH THE SHAREHOLDERS

The Company is committed to providing Shareholders and other stakeholders (including potential investors) with balanced and understandable information about the Company. The Company has established the shareholders' communication policy (the "**Communication Policy**") and the Board will review the Communication Policy on a regular basis to ensure its effectiveness.

The aims of the Communication Policies are to promoting effective communication with the Shareholders and other stakeholders; encouraging the Shareholders to engage actively with the Company; and enabling the Shareholders to exercise their rights as shareholders effectively.

As a channel to promote effective communication, the Company maintains a website which offers a communication platform between the Company and the Shareholders and other stakeholders. Any information or documents of the Company posted on the Stock Exchange's website (www.hkexnews.hk) will also be published on the Company's website (www.tbkssb.com.my) under the "Investor Relations" section in a timely and consistent manner as required by the Listing Rules.

The Company recognises the importance of Shareholders' privacy and will not disclose Shareholders' information without their consent, unless required by law to do so.

Information will be communicated to the Shareholders through convening the annual general meeting or general meeting, publication of (a) directors' report and annual accounts together with a copy of the auditor's report and where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; (f) a proxy form; and (g) other regulatory disclosures.

During the Financial Year, the Company had published its interim and annual results, interim and annual report, ESG report, notice of AGM and AGM circular, in a timely manner. The AGM was held on 15 December 2023 provided opportunities for the Shareholders to communicate directly with the Directors. The chairman of the Company and the chairmen of the Board Committees also attended the AGM to answer Shareholders' questions.

The Company reviewed the implementation and effectiveness of the Communication Policy and considered it to be effective for the Financial Year.

CORPORATE GOVERNANCE REPORT

CONSTITUTIONAL DOCUMENTS

A special resolution had been passed at the annual general meeting of the Company on 15 December 2023 to adopt the amended and restated memorandum and articles of association of the Company to comply with the Listing Rules. The new amended and restated memorandum and articles of association of the Company is available on the websites of the Stock Exchange and the Company.

DIVIDEND POLICY

The Group has adopted a general annual dividend policy of declaring and paying dividends on an annual basis of approximately 10% of the Company's distributable profit for any particular financial year.

Declaration of dividends is subject to the discretion of the Directors, depending on the Group's results of operations, working capital, cash position, future operations, and capital requirements, as well as any other factors which the Directors may consider relevant. As the payment of dividends are at the discretion of the Directors, there is no assurance that any particular dividend amount or any dividend at all, will be distributed. Such discretion is subject to the applicable laws and regulations including the Companies Law and the Articles which also require the approval of the Shareholders. Historical dividend payments are not indicative of the Company's payment of any future dividends.

REPORT OF THE DIRECTORS

The Board is pleased to present their report together with the audited consolidated financial statements of the Group for the Financial Year.

PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The Group is principally engaged in civil and structural works in Malaysia and the PRC and trading of oil and related products in the PRC. The principal activities of the Company's principal subsidiaries are set forth in Note 32 to the consolidated financial statements.

BUSINESS REVIEW AND ANALYSIS OF KEY FINANCIAL PERFORMANCE INDICATORS

The business review and analysis of key financial performance indicators of the Group for the Financial Year are set out in the section headed "Management Discussion and Analysis" of this annual report.

FINANCIAL RESULTS AND FINANCIAL POSITION

The results of the Group for the Financial Year and the financial position of the Group and the Company as at 30 June 2024 are set forth in the consolidated financial statements on pages 68 to 71 and 130 of this annual report, respectively.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Financial Year (2023: Nil).

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five years, as extracted from the audited consolidated financial statements of the Company is set out on page 146 of this annual report. This summary does not form part of the consolidated financial statements for the Financial Year.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in plant and equipment of the Group during the Financial Year are set out in Note 15 to the consolidated financial statements.

PROPERTIES

The Group did not hold any major property for development and/or sale or for investment purpose as at 30 June 2024.

SHARE CAPITAL

Details of the Company's share capital are set out in Note 27 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

RESERVES

Details of movements in the reserves of the Company and of the Group during the Financial Year are set out in Note 28 to the consolidated financial statements and in the consolidated statement of changes in equity set out on page 72 of this annual report, respectively.

DISTRIBUTABLE RESERVES

At 30 June 2024, the Company's distributable reserves to the owners of the Company (comprising share premium, contributed surplus and accumulated losses) amounted to approximately RM77.7 million.

SHARE OPTION SCHEME

Pursuant to the written resolutions of all the Shareholders passed on 5 September 2019, the Company adopted the Share Option Scheme. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to enable the Board to grant options to employees, any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contributes to the development and growth of the Group or any invested entity (the "**Eligible Persons**") as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Group.

Subject to the provisions in the Share Option Scheme, the Directors may grant options at any time and from time to time within a period of 10 years commencing from the date of adoption of the Share Option Scheme at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK$1.00 to the Eligible Persons. An offer of grant of an option may be accepted by an Eligible Person within 21 days inclusive of the date on which it is made. The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.

The total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 100,000,000 Shares, being 10% of the total number of Shares in issue (the "**Scheme Limit**") unless approved by its Shareholders pursuant to paragraph below. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company shall not be counted for the purpose of calculating the Scheme Limit.

The Company may seek separate approval of the Shareholders in general meeting for refreshing the Scheme Limit provided that such limit as refreshed shall not exceed 10% of the total number of Shares (assuming no options are granted under the Share Option Scheme) in issue as at the date of the approval of the Shareholders on the refreshment of the Scheme Limit. Options previously granted under the Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme of the Company or exercised) will not be counted for the purpose of calculating the limit as refreshed.

No option shall be granted to any Eligible Person if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including such further grant would exceed 1% of the total number of Shares in issue from time to time (the "**Participant Limit**"), unless such grant has been duly approved by resolution of the Shareholders in general meeting at which the Eligible Person and his close associates shall abstain from voting.

Any grant of options to any Director, chief executive, or substantial Shareholder (excluding the proposed Director or chief executive) of the Company or any of their respective associates shall be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is any offeree of an option) and shall comply with the relevant provisions of Chapter 17 of the Listing Rules.

Share options granted to substantial Shareholders or independent non-executive Directors or any of their respective associates in any 12-month period in excess of 0.1% of the Company's issued share capital on the date of grant and with a value in excess of HK$5 million must be approved in advance by the Shareholders.

The exercise price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as determined by the Board, and shall at least be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day on which the Board passes a resolution approving the making of an offer of grant of an option to an Eligible Person; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant.

The Share Option Scheme is valid and effective for a period of 10 years and will expire at the close of business on 4 September 2029. Subject to the rules of the Share Option Scheme, option may be exercised in whole or in part by the grantee at any time before the expiry of the period to be determined and notified by the Board to the grantee which in any event shall not be longer than 10 years commencing on the date of the offer letter and expiring on the last day of such 10-year period.

On 12 May 2021, a total of 10,000,000 share options (the "**Share Option(s)**") were granted to 2 Eligible Persons and each Share Option shall entitle the holder of the Share Option to subscribe for one Share upon exercise of such Share Option at an exercise price of HK$0.35 per Share. Subject to the terms of the Share Option Scheme, the Share Options shall be exercisable at any time during the period from 12 May 2021 to 11 May 2026 (both dates inclusive). The closing price of the Shares on the date of the grant of the Share Options was HK$0.34 per Share and the closing price of the Shares immediately before the date of the grant of the Share Options was HK$0.345 per Share. None of the Grantees is the Director, chief executive or substantial Shareholder of the Company or any of their respective associates (as defined under the Listing Rules) as at the date of grant. Apart from that, no options were granted, exercised, cancelled or lapsed in accordance with the terms of the Share Option Scheme. Details of the above grant of the Share Options were set out in the Company's announcement dated 12 May 2021.

As at 30 June 2024, the total number of securities available for issue under the Share Option Scheme was 90,000,000, representing 9% of the entire issued share capital of the Company. Movements of Share Options during the Period are as below:

Name and category of participant	Date of grant	Exercise price HK$	Outstanding at 1 July 2023	Granted during the Financial Year	Exercised during the Financial Year	Cancelled/ Lapsed during the Financial Year	Outstanding at 30 June 2024	Validity period of the Share Options
Mr. Lam Tze Chung, a director of a subsidiary of the Company	12 May 2021	0.35	5,000,000	–	–	–	5,000,000	12 May 2021 to 11 May 2026
Employee	12 May 2021	0.35	5,000,000	–	–	–	5,000,000	12 May 2021 to 11 May 2026
Total:			**10,000,000**	**0**	**0**	**0**	**10,000,000**	

There are no Share Options granted, exercise, cancelled or lapsed by the Company under the Share Option Scheme during the years ended 30 June 2023 and 2024 and no equity-settled share-based payment expense was recognised during the years ended 30 June 2023 and 2024.

The fair value of Share Options granted on 12 May 2021 was recognised in full for the year ended 30 June 2021. The estimate of the fair value of the Share Options granted was measured based on Binomial model. The variables and assumptions used in computing the fair value of the Share Options are based on the valuer's best estimate. Changes in variables and assumptions may result in changes in fair value of the Share Options.

All the options forfeited before expiry of the options will be treated as lapsed options under the Share Option Scheme.

Further details of the Share Options Scheme are set out in Note 30 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as the Share Option Scheme, the Company did not have equity-linked agreements that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares during the Financial Year or subsisted at the end of the Financial Year.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the Financial Year.

MAJOR CUSTOMERS AND SUPPLIERS

During the Financial Year, the five largest customers of the Group accounted for about 81.6% of the Group's total revenue and the largest customer accounted for about 53.7% of the total revenue.

During the Financial Year, the five largest suppliers of the Group accounted for about 58.1% of the Group's cost of sales and the largest supplier accounted for about 54.4% of the cost of sales.

Based on the information publicly available to the Company and to the best knowledge of the Directors, none of the Directors, their respective close associates (as defined in the Listing Rules) or any Shareholders (which to the best knowledge of the Directors, own more than 5% of the Shares) had any beneficial interest in any of the Group's five largest customers or suppliers referred to above.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Related party transactions of the Group during the Financial Year are disclosed in Note 34 to the consolidated financial statements.

During the Financial Year, there were no connected transactions or continuing connected transactions of the Company as defined under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent Shareholders' approval requirements under the Listing Rules.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is aware of and is committed to its corporate responsibility to the society. In order to meet the Group's customers' requirement on different health, safety and environmental aspects, an effective control on quality assurance measures is maintained during daily operations. A group of project management team, which includes a project manager, construction manager and quality manager, is comprised to monitor the quality of each construction project. In addition, a full implementation on health, safety and environmental management system has facilitated the Group to prevent potential industrial accidents and ensure a safe workplace is provided for workers. The Group ensures that environmental compliance and protection measures are properly implemented for its projects.

Besides its own corporate responsibility, the Group is principally required to comply with the laws and regulations in relation to environmental protection, including the Environmental Quality Act 1974 of Malaysia, Environmental Quality (Clean Air) Regulations 1978 of Malaysia, the Environmental Quality (Sewage and Industrial Effluents) Regulations 1979 of Malaysia, the Air Pollution Control Ordinance of Hong Kong, the Waste Disposal Ordinance of Hong Kong, the Environmental Protection Law of the PRC, and the Prevention and Control of Atmospheric Pollution of the PRC. Given the Group's substantial experience in the industry and its established operation workflow which includes preliminary site visits by its staff to determine possible environmental compliance issues, the Group has been able to address such environmental compliance issues. The Group commenced the trading of oil and related products in the PRC and civil and structural works in the PRC which have relatively short operation history and small environmental footprint. The Group will continue to monitor the environmental impact of the PRC operations.

To the best knowledge of the Directors, the Group was in compliance with applicable environmental laws and regulations in all material respects during the Financial Year.

For details on the environmental policies and performance, please refer to the ESG Report 2024 which was published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tbkssb.com.my), respectively. Shareholders and other stakeholders can access and download the ESG Report 2024 from the Company's website under the "Investor Relations" section and simply click the "ESG Report 2024".

PERMITTED INDEMNITY PROVISIONS

The Articles provides that the Directors, Secretary and other officers and every Auditor for the time being of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group and its activities are subject to requirements under various laws in Malaysia, Cayman Islands, Hong Kong and the PRC and all applicable regulations, guidelines, policies and licence terms issued or promulgated under or in connection with these statutes. In addition, the Listing Rules also apply to the Company. The Company seeks to ensure compliance with these requirements through various measures such as internal controls and approval procedures, training and oversight of various business units with the designated resources at different levels of the Group.

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing responsibility to monitor adherence and compliance with all significant legal and regulatory requirements. As at the date of this report, the Group is not aware of any material non-compliance with the relevant laws and regulations that have significant impact on the business of the Group.

KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group is committed to operating in a sustainable manner while balancing the interests of its various stakeholders including employees, customers, suppliers and subcontractors.

The Group's employees are invaluable assets of the Group and it is dedicated to managing human capital. Remuneration package the Group offers to its staff includes basic salary, discretionary bonuses and allowance. The Directors review the performance of the Group's employees on a periodical basis in order to determine salary adjustment and promotions and keep the Group's remuneration package competitive. The Group also provides ongoing training programmes for its employees and provides subsidies to staff for recognised courses. The Group's workers are also provided with training on workplace safety and in other job related areas to facilitate them to maintain their qualifications on site. The Directors believe that these measures will also serve as means to retain quality staff.

REPORT OF THE DIRECTORS

The Group has been operating in Malaysia since the 1970s. The Directors believe that, as a result of the Group's high quality, technical proficiency, effective management programme, diversified experience and capabilities as well as its market reputation, the Group has successfully established strong and long-term business relationship with key customers and business partners as well as suppliers and subcontractors. In particular, the Group has established strong and long-term business relationships with a number of key customers who are reputable international conglomerates in the oil and gas industry. The Group has maintained strong and long-term business relationships with some of its customers for over 20 years. As a result, the Directors believe that the Group has become their preferred civil and structural works contractor. The Directors also believe that the Group's strong and long-term relationships with these key customers provide it with a competitive advantage to secure future contracts, a steady flow of repeat business and revenue, and serve as a testament for it in marketing and business development with new customers.

The Group has also established close and long-term working relationships with suppliers and subcontractors in different areas of specialty, including a world renowned French-based concrete supplier and a manufacturer of roller shutter. The Directors believe that the Group's established relationships with them have greatly enhanced and will continue to enhance the Group's overall service to its customers.

In view of the above and as at the date of this report, there is no circumstance or any event which will have a significant impact on the Group's business and on which the Group's success depends.

DIRECTORS

The Directors during the Financial Year and up to the date of this report were:

Executive Directors

Mr. Tan Hun Tiong *(Chairman)*
Mr. Tan Han Peng *(Chief executive officer)*
Mr. Tang Zhiming
Mr. Chen Da

Non-executive Director

Ms. Chooi Pey Nee

Independent Non-executive Directors

Mr. Chu Hoe Tin
Mr. Ng Ying Kit
Mr. Wong Sze Lok

Article 83 (3) provides that the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy on or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

REPORT OF THE DIRECTORS

Article 84 of the Articles provides that (1) one-third of the Directors for the time being (or, if their number is a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM, provided that every Director shall be subject to retirement by rotation at least once every three years. (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election.

In accordance with the Articles 84 of the Articles, Mr. Tan Hun Tiong, Mr. Tang Zhiming and Mr. Chen Da will retire at the forthcoming AGM and all of them, being eligible, will offer themselves for re-election at the forthcoming AGM.

BIOGRAPHIES OF DIRECTORS

The biographical details of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

CHANGES IN DIRECTOR INFORMATION UNDER RULE 13.51B OF THE LISTING RULES

Mr. Wong Sze Lok ("**Mr. Wong**") has been appointed as an independent non-executive director of China e-Wallet Payment Group Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 802) with effect from 29 February 2024, and IVD Medical Holding Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 1931) with effect from 28 March 2024. Mr. Wong resigned as the company secretary of Unitas Holdings Limited, a company listed on GEM of the Stock Exchange (Stock code: 8020) with effect from 1 April 2024.

Ms. Chooi Pey Nee has been appointed as an independent non-executive director of CNMC Goldmine Holdings Limited, the first Catalist-listed gold producer on the SGX (CNMC: SP) with effect from 30 April 2024.

DIRECTORS' SERVICE CONTRACTS

The executive Directors, namely, Mr. Tan Hun Tiong and Mr. Tan Han Peng had entered into a service contract with the Company on 5 September 2019, Mr. Tang Zhiming had entered into a service contract with the Company on 4 February 2021 and Mr. Chen Da had entered into a service contract with the Company on 9 November 2021. The terms and conditions of each of such service contracts are similar in all material aspects. Each service contract is for an initial term of three years with effect from the effective date and shall continue thereafter unless and until it is terminated by the Company or the executive Director giving to the other not less than three months' prior notice in writing.

The non-executive Director, namely Ms. Chooi Pey Nee and the INED, namely Mr. Chu Hoe Tin had entered into a letter of appointment with the Company on 5 September 2019 and the INEDs, namely, Mr. Ng Ying Kit and Mr. Wong Sze Lok had entered into a letter of appointment with the Company on 27 October 2020 and 4 February 2021, respectively. Each of the appointment is for an initial term of one year commencing from the effective date and shall continue thereafter unless terminated by either party giving at least one month's notice in writing.

None of the Directors proposed for re-election at the forthcoming AGM has a service agreement/letter of appointment with the Company, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATIONS

Details of the remunerations of Directors are set out in Note 11 to the consolidated financial statements.

DIRECTORS' EMOLUMENT POLICY

The Remuneration Committee was established for reviewing and determining the remuneration and compensation packages of the Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group. The Company has adopted the Share Option Scheme as an incentive to the Directors and eligible employees, details of which are set out in the section headed "Share Option Scheme".

DEFINED CONTRIBUTION RETIREMENT PLAN

The Group contributes to defined contribution retirement plans which are available for eligible employees in Malaysia, Hong Kong and the PRC.

As required by the Employees Provident Fund Act 1991 of Malaysia, the Group makes contributions to the federal statutory body, Employees Provident Fund ("**EPF**"), which manages the compulsory savings plan and retirement planning for employees in Malaysia. In Hong Kong, the Group operates the Mandatory Provident Fund scheme (the "**MPF**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. In the PRC, the Group has joined defined contribution retirement schemes pursuant to the relevant laws and regulations in the PRC for the employees arranged by government authorities ("**PRC Retirement Schemes**").

Contributions to each of the EPF, MPF and PRC Retirement Schemes (collectively the "**Schemes**") by the Group and employees are calculated at certain percentages of employees' monthly salaries stipulated by the relevant government authorities. The assets of the MPF are held separately from those of the Group in an independently administered fund while EPF and PRC Retirement Schemes are state-managed. The obligation of the Group with respect to the Schemes is to make the specified contributions which are recognized as an expense in profit or loss when the services are rendered by the employees.

There are no forfeited contributions for the Schemes as the contributions are fully vested with the employees upon payment to the plans.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("**SFO**")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

(i) Interests in the Company

Name of Directors	Capacity/Nature of interest	Number of Shares *(Note 1)*	Percentage of shareholding
Mr. HT Tan	Interest of a controlled corporation (Note 2)	600,000,000 (L)	60%
Mr. HP Tan	Interest of a controlled corporation (Note 2)	600,000,000 (L)	60%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. All the issued shares of TBKS International are legally and beneficially owned as to 70% and 30% by Mr. HT Tan and Mr. HP Tan, respectively. Accordingly, Mr. HT Tan and Mr. HP Tan are deemed to be interested in the 600,000,000 Shares held by TBKS International under the SFO. Mr. HT Tan and Mr. HP Tan are a group of Controlling shareholders.

(ii) Interests in associated corporation of the Company

Name of Directors	Name of associated corporation	Number of Shares *(Note 1)*	Percentage of shareholding
Mr. HT Tan	TBKS International	70 (L)	70%
Mr. HP Tan	TBKS International	30 (L)	30%

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company had, or was deemed to have, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of the Company as referred to in the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity/Nature of interest	Number of Shares *(Note 1)*	Percentage of shareholding
TBKS International	Beneficial owner	600,000,000 (L)	60.0%
Ms. Tan Siew Hong	Interest of spouse *(Note 2)*	600,000,000 (L)	60.0%
Red Bright International Limited ("**Red Bright**")	Person having a security interest in shares *(Note 4)*	600,000,000 (L)	60.0%
Mr. Yang Dunwei ("**Mr. Yang**")	Interest of controlled corporation *(Note 5)*	600,000,000 (L)	60.0%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. Ms. Tan Siew Hong is the spouse of Mr. HT Tan. By virtue of the SFO, Ms. Tan Siew Hong is deemed to be interested in all the Shares in which Mr. HT Tan is interested or deemed to be interested under the SFO.

3. On 28 September 2021, TBKS International and Red Bright entered into a deed of charge pursuant to which 600,000,000 Shares in the name of TBKS International are to be charged to Red Bright as security.

4. Based on the notices of disclosure of interest filed by Mr. Yang on 30 September 2021, Mr. Yang has 100% direct interest in Red Bright and he is deemed to be interested in all the Shares held by Red Bright under the SFO.

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Financial Year was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

REPORT OF THE DIRECTORS

COMPETING INTERESTS

As confirmed by the Directors, Controlling Shareholders and their respective close associates do not have any interests in any business, apart from the business operated by members of the Group, which competes or is likely to compete, directly or indirectly, with the business of the Group during Financial Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed minimum public float for its shares as required under the Listing Rules.

DIRECTORS' INTEREST IN SIGNIFICANT CONTRACTS

Save as disclosed in this annual report, no transactions, arrangements or contracts of significance in relation to the Group's business in which the Company or any its subsidiaries was a party and in which the Director had a material interest, whether directly or indirectly, subsisted during the Financial Year.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2024 and up to the date of this annual report.

INDEPENDENT AUDITOR

The consolidated financial statements for the Financial Year were audited by BDO Limited, the independent auditor, who shall retire and, being eligible, offers itself for re-appointment at the forthcoming AGM. A resolution will be proposed at the forthcoming AGM to re-appoint BDO Limited as auditor and to authorise the Directors to fix its remuneration.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to Shareholders by reason of their holding of the Company's securities.

DONATIONS

During the Financial Year, the Group made donations for charitable and other purposes of RM120,821.

On behalf of the Board

Tan Hun Tiong
Chairman
Hong Kong, 27 September 2024

INDEPENDENT AUDITOR'S REPORT

BDO

Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2218 8288
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF TBK & SONS HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of TBK & Sons Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") set out on pages 68 to 145, which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS *(Continued)*

Revenue recognition of civil and structural works contracts

For the year ended 30 June 2024, the Group's revenue recognised for civil and structural works amounted to approximately RM108 million.

The Group's revenue from civil and structural works is recognised over time using the output method. This approach is based on direct measurements of the value of services delivered or surveys of performance completed to date relative to the remaining contracts obligations. Revenue is determined through surveys of completed work, supported by payment certificates from architects, surveyors, or customer-appointed representatives. Management regularly assesses the value of completed construction work, including estimates for unverified work at the end of each reporting period. These estimates are derived from surveys conducted by internal technicians and are adjusted based on subsequent certifications or confirmations from customers. Management reviews the progress of the contracts and revises the estimates of contract revenue, contract costs and variation orders for each construction contract to determine whether the construction contract is an onerous contract based on the most current budget with reference to the overall contract consideration.

Refer to Note 4(f) for the accounting policies, Note 5(b)(i) for the key sources of estimation uncertainty and Notes 6 and 7 for disclosures of the Group's revenue and costs for civil and structural works.

Our response:

Our audit procedures in relation to the recognition of revenue for civil and structural works included the following:

- assessing the Group's revenue recognition to determine they are in compliance with IFRS 15, on a sample basis, including in identifying the contract and performance obligations and determining the transaction price;

- discussing with project managers, internal quantity surveying managers and the management of the Group and checking on a sample basis, the supporting documents such as contracts and variation orders to evaluate the reasonableness of the revenue recognised; and

- comparing the contract revenue recognised for contracts in progress during the year, on a sample basis, with reference to the certificates from surveyors appointed by the customers or payment applications from the in-house surveyors or confirmation received from customers.

KEY AUDIT MATTERS *(Continued)*

Revenue recognition of trading of oil and related products

For the year ended 30 June 2024, the Group's revenue and costs recognised for trading of oil and related products amounted to approximately RM180 million and RM179 million, respectively.

The Group's revenue from trading of oil and related products is recorded on a gross basis since the management considered that the Group is acting as a principal taking into consideration the nature of the promise, including indicators such as the Group is primarily responsible for fulfilling the promise to provide the oil and related products, the Group has inventory risk and discretion in establishing the price for the oil and related products.

The Group's revenue and costs for trading of oil and related products are quantitatively significant to the Group's consolidated financial statements as a whole and significant judgements are required in determining whether the Group is acting as a principal or an agent in the trading of oil and related products.

Refer to Note 4(f) for the accounting policies, Note 5(a)(i) for the critical accounting judgements and Notes 6 and 7 for disclosures of the Group's revenue and costs for trading of oil and related products.

Our response:

Our audit procedures in relation to the revenue recognition of trading of oil and related products included the following:

- understanding and reviewing the key terms of the sales and purchase agreements of all transactions during the year;

- assessing whether the Group has control over the oil and related products traded by considering all relevant factors including but not limited to which party maintains primary obligation for the delivery of the goods to the customers, which party assumes inventory risk and which party has pricing latitude; and

- checking that revenue has been properly recognised on a gross basis and assessing the adequacy of the related disclosures in the consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Impairment assessment of trade receivables and contract assets

As at 30 June 2024, the Group's gross trade receivables and contract assets amounted to approximately RM77 million and RM53 million, respectively.

Significant management judgement is required to assess the recoverability of trade receivables and contract assets. Management performed a detailed analysis which broadly based on the available customers' historical data, existing market conditions including forward-looking estimates for the estimation of expected credit losses ("**ECLs**") on its trade receivables and contract assets.

The Group's trade receivables and contract assets are quantitatively significant to the Group's consolidated financial statements as a whole and the assessment on ECLs involved significant judgements and estimates by management.

Refer to Note 4(e) for the accounting policies, Note 5(b)(ii) for the key sources of estimation uncertainty and Notes 18 and 19 for disclosures of the Group's trade receivables and contract assets, respectively.

Our response:

Our audit procedures in relation to the impairment assessment of trade receivables and contract assets included the following:

(i) discussing with management to understand the methodologies, inputs and estimates used to assess the ECLs rates for trade receivables and contract assets. Evaluating management's estimated ECLs by considering the reputation and financial capability of the customers against the publicly available information, and the cash collection performance against the historical payment records and also considering and evaluating the appropriateness of the ECLs model adopted by management;

(ii) evaluating whether management's assessment on the current and forward-looking macroeconomic factors that impact on the ability of customers to settle the receivables in the future was appropriate by considering the external market information; and

(iii) testing the accuracy of information prepared by management to assess ECLs including aging categories of trade receivables by checking to the related invoices on a sample basis.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of these consolidated financial statements in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

BDO Limited
Certified Public Accountants

Fong Wai Yee Wendy

Practising Certificate Number: P06821

Hong Kong
27 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Notes	2024 RM'000	2023 RM'000
Revenue	7	**288,093**	367,940
Cost of sales		**(283,206)**	(353,716)
Gross profit		**4,887**	14,224
Other income and gains and losses	8	**1,274**	4,092
Selling and distribution expenses		**(735)**	(1,519)
Administrative expenses		**(20,802)**	(21,100)
Impairment loss on trade receivables and contract assets, net		**(21,244)**	(3,013)
(Impairment loss)/reversal of impairment loss on other receivables		**(876)**	1,344
Finance costs	9	**(359)**	(834)
Share of profit of an associate	17	**26**	27
Loss before income tax expense	10	**(37,829)**	(6,779)
Income tax expense	13	**(77)**	(1,746)
Loss for the year		**(37,906)**	(8,525)
Other comprehensive income for the year, net of tax:			
Item that will not be reclassified subsequently to profit or loss:			
Exchange differences on translation of the Company's financial statements into its presentation currency		**–**	111
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**672**	41
Other comprehensive income for the year		**672**	152
Total comprehensive income for the year		**(37,234)**	(8,373)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Notes	2024 RM'000	2023 RM'000
Loss attributable to:			
— Owners of the Company		**(32,744)**	(8,718)
— Non-controlling interests		**(5,162)**	193
		(37,906)	(8,525)
Total comprehensive income attributable to:			
— Owners of the Company		**(32,095)**	(8,552)
— Non-controlling interests		**(5,139)**	179
		(37,234)	(8,373)
Loss per share	14		
— Basic and diluted (RM)		**(3.27 sen)**	(0.87 sen)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	2024 RM'000	2023 RM'000
Non-current assets			
Property, plant and equipment	15	**15,386**	18,012
Intangible assets	16	**234**	392
Interest in an associate	17	**174**	148
Deferred tax assets	26	**13**	–
		15,807	18,552
Current assets			
Trade receivables, other receivables, deposits and prepayments	18	**76,830**	60,762
Contract assets	19	**49,918**	37,352
Inventories	20	**–**	25,575
Pledged time deposits	25	**6,617**	6,437
Restricted bank balances	21	**450**	–
Cash and cash equivalents	21	**28,858**	45,928
Tax recoverable		**3,039**	3,096
		165,712	179,150
Current liabilities			
Trade and other payables	22	**67,964**	36,271
Contact liabilities	23	**–**	6,119
Lease liabilities	24	**826**	1,692
Bank and other borrowings	25	**2,988**	6,384
Tax payable		**1,534**	1,541
		73,312	52,007
Net current assets		**92,400**	127,143
Total assets less current liabilities		**108,207**	145,695
Non-current liabilities			
Lease liabilities	24	**–**	470
Bank and other borrowings	25	**975**	747
Deferred tax liabilities	26	**–**	12
		975	1,229
NET ASSETS		**107,232**	144,466

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	2024 RM'000	2023 RM'000
Equity			
Share capital	27	5,300	5,300
Reserves	28	105,619	137,714
Equity attributable to owners of the Company		110,919	143,014
Non-controlling interests	33	(3,687)	1,452
TOTAL EQUITY		107,232	144,466

On behalf of the Board

Tan Hun Tiong
Director

Tan Han Peng
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Equity attributable to owners of the Company								
	Share capital RM'000 (Note 27)	Share premium RM'000 (Note (a))	Share option reserve RM'000 (Note (b))	Merger reserve RM'000 (Note (c))	Exchange translation reserve RM'000 (Note (d))	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2022	5,300	51,793	845	12,350	2,631	78,647	151,566	1,273	152,839
Loss for the year	–	–	–	–	–	(8,718)	(8,718)	193	(8,525)
Other comprehensive income:									
— Exchange differences on translation of the Company's financial statements into its presentation currency	–	–	–	–	111	–	111	–	111
— Exchange differences on translation of foreign operations	–	–	–	–	55	–	55	(14)	41
Total comprehensive income for the year	–	–	–	–	166	(8,718)	(8,552)	179	(8,373)
At 30 June 2023 and 1 July 2023	5,300	51,793	845	12,350	2,797	69,929	143,014	1,452	144,466
Loss for the year	–	–	–	–	–	(32,744)	(32,744)	(5,162)	(37,906)
Other comprehensive income:									
— Exchange differences on translation of foreign operations	–	–	–	–	649	–	649	23	672
Total comprehensive income for the year	–	–	–	–	649	(32,744)	(32,095)	(5,139)	(37,234)
At 30 June 2024	5,300	51,793	845	12,350	3,446	37,185	110,919	(3,687)	107,232

Notes:

(a) Share premium

Shre premium represents the excess of the net proceeds from issuance of the Company's shares over its par value.

(b) Share option reserve

Share option reserve comprises cumulative expenses recognised on the granting of share options to the employees.

(c) Merger reserve

Merger reserve as at 30 June 2024 and 2023 represents the difference between the investment costs in subsidiaries and the aggregate amount of issued share capital of subsidiaries acquired pursuant to a group reorganisation (the "**Reorganisation**").

(d) Exchange translation reserve

Exchange translation reserve represents foreign exchange differences arising from the translation of the Company's financial statements into its presentation currency and of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 4(h).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	2024 RM'000	2023 RM'000
Cash flows from operating activities		
Loss before income tax expense	**(37,829)**	(6,779)
Adjustments for:		
Depreciation of property, plant and equipment	**1,156**	1,729
Depreciation of right-of-use assets	**2,093**	4,047
Amortisation on intangible assets	**164**	168
Reversal of provision for onerous contracts	**(167)**	–
Gain on disposal of freehold land	**–**	(1,319)
Loss on disposal of property, plant and equipment	**–**	13
Write off of property, plant and equipment	**3**	–
Finance costs	**359**	834
Interest income	**(369)**	(236)
Impairment loss on trade receivables and contract assets, net	**21,244**	3,013
Gain on lease modification	**–**	(68)
Impairment loss/(reversal of impairment loss) on other receivables	**876**	(1,344)
Write off of other receivables	**–**	19
Share of profit of an associate, net of tax	**(26)**	(27)
Cash flows before working capital changes	**(12,496)**	50
(Increase)/decrease in trade receivables, other receivables, deposits and prepayments	**(34,551)**	42,260
Increase in contract assets	**(14,189)**	(8,849)
Decrease/(increase) in inventories	**23,561**	(25,575)
Increase in trade and other payables	**31,860**	13,522
Decrease in contract liabilities	**(6,119)**	(49,092)
Cash used in operations	**(11,934)**	(27,684)
Income tax paid	**(45)**	(1,288)
Income tax refunded	**–**	463
Net cash used in operating activities	**(11,979)**	(28,509)
Cash flows from investing activities		
Decrease in amount due from an associate	**–**	54
Purchase of property, plant and equipment	**(125)**	(812)
Interest received	**369**	236
Movements in pledged time deposits	**(180)**	(112)
Movements in restricted bank balances	**(450)**	–
Proceeds from disposal of freehold land	**–**	1,533
Net cash (used in)/generated from investing activities	**(386)**	899

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Notes	2024 RM'000	2023 RM'000
Cash flows from financing activities	37		
Interest paid on bank and other borrowings		**(282)**	(573)
Interest paid on lease liabilities		**(77)**	(261)
Proceeds from bank and other borrowings		**5,167**	3,968
Repayment of bank and other borrowings		**(8,335)**	(666)
Repayment of lease liabilities		**(1,819)**	(3,713)
Net cash used in financing activities		**(5,346)**	(1,245)
Net decrease in cash and cash equivalents		**(17,711)**	(28,855)
Cash and cash equivalents at beginning of year		**45,928**	74,156
Effect of exchange rate changes, net		**641**	627
Cash and cash equivalents at end of year		**28,858**	45,928
Analysis of cash and cash equivalents	21		
Cash and bank balances		**10,378**	27,212
Balances with financial institutions		**18,480**	18,716
		28,858	45,928

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 November 2018 under the Companies law of the Cayman Islands. The address of the Company's registered office is at the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business in Hong Kong and Malaysia are located at Unit 1903, 19/F., West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong and Lot 333, Kampung Paya, Batu 2 Jalan Seremban, Port Dickson, Negeri Sembilan, Malaysia, respectively. On 30 September 2019 (the "**Listing Date**"), the Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") by way of share offer (the "**Share Offer**").

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of civil and structural works in Malaysia and the People's Republic of China (the "**PRC**") and trading of oil and related products in the PRC. The ultimate holding company of the Company is TBK & Sons International Limited ("**TBKS International**") which is incorporated in the British Virgin Islands. The controlling shareholders of the Company are Mr. Tan Hun Tiong and Mr. Tan Han Peng.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, International Accounting Standards and Interpretations issued by International Accounting Standards Board (collectively "**IFRS Accounting Standards**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**").

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The functional currency of the Company is Hong Kong dollars ("**HK$**") while the financial statements are presented in Malaysian Ringgit ("**RM**"), as in the opinion of the directors of the Company, it presents more relevant information to the management who monitors the performance and financial position of the Group based on RM. All values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

3. ADOPTION OF IFRS ACCOUNTING STANDARDS

(a) New or amended IFRS Accounting Standards adopted by the Group

In the current year, the Group has applied for the first time the following new or amended IFRS Accounting Standards which are relevant to the Group's operations and effective for the consolidated financial statements of the Group for the annual period beginning on 1 July 2023:

IFRS 17	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform — Pillar Two Model Rules

None of these new or amended IFRS Accounting Standards has a material impact on the Group's results and financial position for the current or prior period. Although amendments to IAS 1 and IFRS Practice Statement 2 have no effect on the measurement or presentation of any item in the consolidation financial statements of the Group but affect the disclosure of accounting policies of the Group. The Group has not early applied any new or amended IFRS Accounting Standards that is not yet effective for the current accounting period. Impact on the applications of these amendments is summarised below.

Amendments to IAS 1 and IFRS Practice Statement 2 — Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose "significant accounting policies" with "material accounting policy information". The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

3. ADOPTION OF IFRS ACCOUNTING STANDARDS *(Continued)*

(b) New or amended IFRS Accounting Standards that have been issued but are not yet effective

The following new or amended IFRS Accounting Standards, potentially relevant to the consolidated financial statements of the Group, have been issued but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the "**2020 Amendment**")[1]
Amendments to IAS 1	Non-current Liabilities with Covenants (the **"2022 Amendmen**t")[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[1]
Amendments to IAS 21	Lack of Exchangeability[2]
Amendments to IFRS 9	Amendments to Classification and Measurement of Financial Instruments[3]
IFRS 18	Presentation and Disclosure in Financial Statement[4]
IFRS 19	Subsidiaries without Public Accountability Disclosure[4]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual periods beginning on or after 1 January 2027
5 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

Amendments to IAS 1 — Classification of Liabilities as Current or Non-Current

The 2020 Amendments provide clarification that if an entity's right to defer settlement of a liability is subject to compliance with future covenants, the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The 2020 Amendments also clarify the situations that are considered as a settlement of a liability. The 2020 Amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application of the 2020 Amendments is permitted. However, an entity that applies the 2020 Amendments early is also required to apply the 2022 Amendments, and vice versa.

The directors of the Company do not anticipate that the application of the amendments in the future will have any material impact on the consolidated financial statements.

3. ADOPTION OF IFRS ACCOUNTING STANDARDS *(Continued)*

(b) New or amended IFRS Accounting Standards that have been issued but are not yet effective *(Continued)*

Amendments to IAS 1 — Non-Current Liabilities with Covenants

The 2022 Amendments clarify how to treat liabilities that are subject to covenants to be complied with, at a date subsequent to the reporting period. The 2022 Amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The 2022 Amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. The 2022 Amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application of the 2022 Amendments is permitted.

The directors of the Company do not anticipate that the application of the amendments in the future will have any material impact on the consolidated financial statements.

Amendments to IFRS 16 — Lease Liability in a Sale and Leaseback

The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The directors of the Company do not anticipate that the application of the amendments in the future will have any material impact on the consolidated financial statements.

Amendments to IAS 7 and IFRS 7 — Supplier Finance Arrangements

The amendments require new disclosure requirements about the supplier financing arrangements. The amendments are intended to enable investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk.

The directors of the Company do not anticipate that the application of the amendments in the future will have any material impact on the consolidated financial statements.

Amendments to IAS 21 — Lack of Exchangeability

The amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

The directors of the Company do not anticipate that the application of the amendments in the future will have any material impact on the consolidated financial statements.

3. ADOPTION OF IFRS ACCOUNTING STANDARDS *(Continued)*

(b) New or amended IFRS Accounting Standards that have been issued but are not yet effective *(Continued)*

Amendments to IFRS 9 — Amendments to Classification and Measurement of Financial Instruments

The amendments provide clarification on the recognition and derecognition dates for financial assets and liabilities, with a specific exception for financial liabilities settled through electronic transfer. The amendments enhance the guidance for assessing the contractual cash flow characteristics of financial assets, including additional considerations for contingent features, non-recourse loans, and contractually linked instruments. The amendments introduce new disclosure requirements for equity instruments classified as fair value through other comprehensive income and for financial instruments containing contingent features.

The directors of the Company do not anticipate that the application of the amendments in the future will have any material impact on the consolidated financial statements.

IFRS 18 — Presentation and Disclosure in Financial Statements

IFRS 18 sets out significant new requirements for how financial statements are presented, with particular focus on the statement of profit or loss, including requirements for mandatory sub-totals to be presented, aggregation and disaggregation of information, as well as disclosures related to management-defined performance measures. The aim of IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

The application of the new standard in the future will have no effect of the measurement of any items in the consolidated financial statements but affect the presentation and disclosure on the consolidated financial statements. The directors of the Company are currently assessing the impact that the application of the standard will have on the Group's consolidated financial statements.

IFRS 19 — Subsidiaries without Public Accountability Disclosure

IFRS 19 aims at simplifying financial reporting for eligible subsidiary companies by allowing reduced disclosures.

The directors of the Company do not anticipate that the application of the amendments in the future will have any material impact on the consolidated financial statements.

3. ADOPTION OF IFRS ACCOUNTING STANDARDS *(Continued)*

(b) New or amended IFRS Accounting Standards that have been issued but are not yet effective *(Continued)*

Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

The directors of the Company do not anticipate that the application of the amendments in the future will have any material impact on the consolidated financial statements.

4. ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

4. ACCOUNTING POLICIES *(Continued)*

(b) Property, plant and equipment *(Continued)*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Freehold land has an unlimited useful life and is not depreciated. Other property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual depreciation rates are as follows:

Freehold land and building	2%
Leasehold land	1%–10%
Workshop	7%–20%
Plant and machinery, excavators, loader and motor vehicles	10%–25%
Furniture, fittings and office equipment	10%–33%
Leasehold improvements	Over lease term

Depreciation has been provided on certain freehold land as the Group has not been able to segregate the cost of the building from the cost of the related freehold land. The directors are of the opinion that the depreciation of the freehold land has no material effect on the financial statements of the Group.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount in accordance with policy set out in Note 4(j). Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

(c) Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

The amortisation expense is recognised in profit or loss and included in administrative expenses. The useful lives and amortisation method are reviewed, and adjusted if appropriate, at the end of reporting period. Amortisation is provided on a straight-line basis over their useful lives as follows:

Safe production licenses	33%
Construction qualification certificates	20%
Incomplete construction contracts	4 months

4. ACCOUNTING POLICIES *(Continued)*

(c) Intangible assets *(Continued)*

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4(j)).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

(d) Leasing

All leases (irrespective of whether they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months and does not contain a purchase option. The lease payments associated with those leases have been expensed on a straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liability.

Lease liabilities

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined which is generally the case at the Group, the Group uses the lessee's incremental borrowing rate.

4. ACCOUNTING POLICIES *(Continued)*

(d) Leasing *(Continued)*

Lease liabilities (Continued)

The following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

(e) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

4. ACCOUNTING POLICIES *(Continued)*

(e) Financial instruments *(Continued)*

(i) Financial assets (Continued)

Impairment of financial assets

The Group recognises loss allowances for expected credit losses ("**ECLs**") on trade receivables, contract assets and other financial assets measured at amortised cost.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). The shortfall is then discounted at an approximation to the assets' original effective interest rate.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime ECLs to be recognised from initial recognition of the receivables.

For other financial assets at amortised cost, the ECLs is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, impairment is measured as lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

4. ACCOUNTING POLICIES *(Continued)*

(e) Financial instruments *(Continued)*

(i) Financial assets (Continued)

Impairment of financial assets *(Continued)*

Credit-impaired financial assets

At each reporting date, the Group assesses on a forward-looking basis whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

— significant financial difficulty of the borrower or issuer;

— a breach of contract such as a default or past due event;

— it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

The Group's financial liabilities, other than dividend payable resulting from distribution of non-cash assets to shareholders, are subsequently measured at amortised cost using the effective interest method.

4. ACCOUNTING POLICIES *(Continued)*

(e) Financial instruments *(Continued)*

(ii) Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

(f) Revenue recognition

Provision of civil and structural works (including site preparation works projects, civil works projects, building works projects, and construction and renovation works projects)

The Group provides civil and structural works based on contracts entered with customers before the commencement of the projects. Under the terms of the contracts, the civil and structural works performed by the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. The civil and structural works provide a distinct and significant integration contract work which are considered a single performance obligation with regard to the contracts. Revenue from provision of civil and structural works is recognised over time using output method, i.e. based on surveys of civil and structural works completed by the Group to date with reference to payment certificates issued by architects, surveyors or other representatives appointed by the customer which the directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations.

If at any time the unavoidable costs of meeting contractual obligations are estimated to exceed the remaining amount of the economic benefits expected to be received under the contract, then a provision is recognised in accordance with policy set out in "Onerous contracts" below.

Trading of oil and related products

The Group recognises the revenue from the sales of oil and related products at a point in time when the customer obtains control of the goods which is upon the delivery of the related goods to the customer. Revenue is measured based on the consideration specified in a contract with a customer, excludes sales related taxes.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

4. ACCOUNTING POLICIES *(Continued)*

(f) Revenue recognition *(Continued)*

Trading of oil and related products (Continued)

The Group is a principal as it controls the specified oil and related products before those goods is transferred to a customer.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

4. ACCOUNTING POLICIES *(Continued)*

(g) Income taxes

Income taxes comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill not deductible for tax purposes and initial recognition of assets and liabilities that are not part of the business combination which affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, taxable temporary differences arising on investments in subsidiaries and associates where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences do not arise from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period, and reflects any uncertainty related to income taxes.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

4. ACCOUNTING POLICIES *(Continued)*

(h) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "**functional currency**") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the reporting period. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

On preparing consolidated financial statements, the results of foreign operations are translated into the presentation currency of the Group (i.e. RM) at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising on the translation are recognised directly in other comprehensive income and accumulated as exchange translation reserve within equity. Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to the exchange translation reserve.

4. ACCOUNTING POLICIES *(Continued)*

(i) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. Short term employee benefits are recognised in the year when the employees render the related services.

(ii) Defined contribution retirement plans

The Company's subsidiaries incorporated in Malaysia make contributions to: (i) statutory pension schemes which are defined contribution retirement plans at statutory fixed rates gazetted by Malaysia from time to time; and (ii) Social Security Organisation which requires the entity to contribute certain percentage of its payroll costs to the organisation. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance in Hong Kong for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries to the maximum mandatory contributions as required by the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. Contributions to MPF Scheme are recognised as an expense in profit or loss when the services are rendered by the employees.

Employees of the group entity operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. Such entity is required to contribute certain percentages of its payroll costs to the central pension scheme. The contributions are charged to profit or loss in the period in which they are incurred.

There are no forfeited contributions for the above defined contribution plans as the contributions are fully vested with the employees upon the payment to the plans.

4. ACCOUNTING POLICIES *(Continued)*

(j) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (including right-of-use assets)
- intangible assets
- interest in an associate

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgement in applying the Group's accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(i) Principal versus agent consideration

The Group determines whether the nature of its promise is a performance obligation to provide the oil and related products itself (i.e., the Group is a principal) or to arrange for the oil and related products to be provided by the other party (i.e., the Group is an agent) in accordance with IFRS 15 requirements. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the oil and related products to be provided by the other party. The Group's management determined that the Group is acting as the principal for the trading transactions taking into consideration the nature of the promise, including indicators such as the Group is primarily responsible for fulfilling the promise to provide the oil and related products, the Group has inventory risk and discretion in establishing the price for the oil and related products.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty

In addition to the estimates and underlying assumptions mentioned elsewhere in the consolidated financial statements, the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Revenue from civil and structural works contracts

Management measures the value of completed construction work based on output method, which is to recognise revenue on the basis of measurement of the value of services transferred to the customers. Management's estimate of the progress of construction works requires significant judgement and has a significant impact on the amount and timing of revenue recognised.

Management has periodically measured the value of the construction work completed for each construction project based on certification performed by architects, surveyors or other representatives appointed by the customers and estimated the value of work which is completed but yet to be certified at each of the end of reporting period. Management estimated the value of work which is completed but yet to be certified based on surveys carried out by internal technicians and revisited with reference to certification subsequently performed by architects, surveyors or other representatives appointed by the customers or confirmations received from the customers. The Group regularly reviews and revises the estimation of construction contract progresses whenever there is any change in circumstances.

(ii) Impairment of trade receivables and contract assets

The Group makes ECL allowances on trade receivables and contract assets based on assumptions about risk of default and expected loss rates. The Group used judgment in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at each reporting date.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables and contract assets and provision for impairment in the periods in which such estimate has been changed.

As at 30 June 2024, the gross carrying amount of trade receivables and contract assets within the scope of the ECL model amounted to RM76,945,000 (2023: RM57,656,000) and RM52,963,000 (2023: RM38,768,000), respectively. Details of the ECL allowance on trade receivables and contract assets are set out in Note 39(c).

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(iii) Income tax and deferred tax

The Group is principally subject to Malaysian corporate income tax. Significant judgement is required on the interpretation of tax laws and legislations during the estimation of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

6. SEGMENT REPORTING

The Group is principally engaged in civil and structural works in Malaysia and the PRC and trading of oil and related products in the PRC.

One of the executive directors of the Company has been identified as the chief operating decision-maker ("**CODM**") of the Group who reviews the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

(a) Reportable segments

The Group's operating segments are managed separately as each business offers different services and requires different business strategies. The Group has the following five reportable segments:

(i) Site preparation works projects

(ii) Civil works projects

(iii) Building works projects

(iv) Construction and renovation works projects

(v) Trading of oil and related products

The CODM monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on gross profit of each reportable segment.

6. SEGMENT REPORTING *(Continued)*

(a) Reportable segments *(Continued)*

Segment revenue and results

Year ended 30 June 2024	Site preparation works projects RM'000	Civil works projects RM'000	Building works projects RM'000	Construction and renovation works projects RM'000	Trading of oil and related products RM'000	Total RM'000
Revenue						
Revenue from external customers	2,922	51,522	1,525	52,484	179,640	288,093
Segment cost of sales	(2,822)	(48,129)	(1,458)	(51,714)	(179,083)	(283,206)
Gross profit	100	3,393	67	770	557	4,887
Other income and gains and losses						1,274
Selling and distribution expenses						(735)
Administrative expenses						(20,802)
Impairment loss on trade receivables and contract assets, net						(21,244)
Impairment loss on other receivables						(876)
Finance costs						(359)
Share of profit of an associate						26
Loss before income tax expense						(37,829)

6. SEGMENT REPORTING *(Continued)*

(a) Reportable segments *(Continued)*

Segment revenue and results (Continued)

Year ended 30 June 2023	Site preparation works projects RM'000	Civil works projects RM'000	Building works projects RM'000	Construction and renovation works projects RM'000	Trading of oil and related products RM'000	Total RM'000
Revenue						
Revenue from external customers	500	43,877	6,555	40,762	276,246	367,940
Segment cost of sales	(496)	(42,459)	(6,001)	(36,848)	(267,912)	(353,716)
Gross profit	4	1,418	554	3,914	8,334	14,224
Other income and gains and losses						4,092
Selling and distribution expenses						(1,519)
Administrative expenses						(21,100)
Impairment loss on trade receivables and contract assets, net						(3,013)
Reversal of impairment loss on other receivables						1,344
Finance costs						(834)
Share of profit of an associate						27
Loss before income tax expense						(6,779)

6. SEGMENT REPORTING *(Continued)*

(a) Reportable segments *(Continued)*

Other segment information

Year ended 30 June 2024	Site preparation works projects RM'000	Civil works projects RM'000	Building works projects RM'000	Construction and renovation works projects RM'000	Trading of oil and related products RM'000	Total RM'000
Depreciation of items of property, plant and equipment						
Operating segments	24	411	12	157	301	905
Amount unallocated						251
						1,156
Depreciation of right-of-use assets						
Operating segments	55	940	28	–	1,036	2,059
Amount unallocated						34
						2,093

6. SEGMENT REPORTING *(Continued)*

(a) Reportable segments *(Continued)*

Other segment information (Continued)

Year ended 30 June 2023	Site preparation works projects RM'000	Civil works projects RM'000	Building works projects RM'000	Construction and renovation works projects RM'000	Trading of oil and related products RM'000	Total RM'000
Depreciation of items of property, plant and equipment						
Operating segments	8	661	93	147	276	1,185
Amount unallocated						544
						1,729
Depreciation of right-of-use assets						
Operating segments	13	1,155	161	–	2,684	4,013
Amount unallocated						34
						4,047

Segment assets and liabilities

There were no separate segment assets and segment liabilities information provided to the CODM as CODM does not use this information to allocate resources and evaluate the performance of the operating segments.

6. SEGMENT REPORTING *(Continued)*

(b) Geographical information

The Group's operations are located in Hong Kong, Malaysia and the PRC.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers from which the sales transactions originated.

The non-current assets based on the geographical location of the Group's assets do not include intangible assets, interest in an associate and deferred tax assets ("**Specified non-current assets**").

	Revenue from external customers		Specified non-current assets	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Hong Kong	**–**	–	**3**	11
Malaysia	**55,969**	50,932	**14,334**	15,495
PRC	**232,124**	317,008	**1,049**	2,506
	288,093	367,940	**15,386**	18,012

(c) Major customers

Details of customers who generated 10% or more of the Group's revenue for the year are as follows:

	2024 RM'000	2023 RM'000
Trading of oil and related products:		
Customer A	**154,699**	151,036
Customer B	**–**	85,451

7. REVENUE

Revenue represents the amounts received and receivable for civil and structural works rendered by the Group to customers and trading of oil and related products.

An analysis of the Group's revenue from contracts with customers is as follows:

	2024 RM'000	2023 RM'000
Recognised over time		
Contract revenue	**108,453**	91,694
Recognised at point in time		
Trading of oil and related products	**179,640**	276,246
	288,093	367,940

Civil and structural works represent performance obligations that the Group satisfies over time for each respective contract. The period of civil and structural works varies from 1 to 3 years (2023: 1 to 3 years).

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of each reporting period.

	2024 RM'000	2023 RM'000
Provision of civil and structural works	**37,956**	72,847

Based on the information available to the Group as at the end of each reporting period, the management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as at 30 June 2024 will be recognised as revenue in the next 9 months (2023: in the next 18 months).

8. OTHER INCOME AND GAINS AND LOSSES

	2024 RM'000	2023 RM'000
Sublease rental income	–	842
Interest income	369	236
Sundry income	745	179
Government grants (Note a)	–	79
Exchange gain, net	160	1,382
Gain on lease modification	–	68
Gain on disposal of freehold land (Note b)	–	1,319
Loss on disposal of property, plant and equipment	–	(13)
	1,274	4,092

Note: (a) For the year ended 30 June 2023, the Group obtained government grants of RM79,000 from Employment Support Scheme ("**ESS**") under the Anti-epidemic Fund launched by the Hong Kong SAR Government supporting the payroll of the Company's employees. Under the ESS, the Company had to commit to spend these grants on payroll expenses, and not reduce headcount below prescribed levels for a specified period of time. The Company had no other unfulfilled obligations relating to this program.

(b) The Group's freehold land which was classified as asset held for disposal had net carrying amount of RM214,000 as at 30 June 2022. This freehold land was disposal of on 17 August 2022 and resulted in the gain on disposal of RM1,319,000 for the year ended 30 June 2023.

9. FINANCE COSTS

	2024 RM'000	2023 RM'000
Interest on:		
— bank and other borrowings	282	573
— lease liabilities	77	261
	359	834

10. LOSS BEFORE INCOME TAX EXPENSE

	2024 RM'000	2023 RM'000
Loss before income tax expense is arrived at after charging/(crediting):		
Auditors' remuneration	**906**	849
Short-term leases expenses	**3,737**	3,041
Amortisation on intangible assets (Note 16)	**164**	168
Depreciation of property, plant and equipment (Note 15)	**1,156**	1,729
Depreciation of right-of-use assets (Note 15)	**2,093**	4,047
Impairment loss on trade receivables and contract assets (Note 39(c))	**21,277**	3,548
Reversal of impairment loss on trade receivables and contract assets (Note 39(c))	**(33)**	(535)
Impairment loss on trade receivables and contract assets, net	**21,244**	3,013
Impairment loss/(reversal of impairment) on other receivables	**876**	(1,344)
Write off of other receivables	**–**	19
Write off of property, plant and equipment	**3**	–
Reversal of provision for onerous contracts (Note 22)	**(167)**	–
Employee benefits expenses (including directors' and chief executive's emoluments) (Note 11):		
— Wages, salaries and other benefits	**28,186**	26,188
— Contributions to defined contribution plans (Note)	**1,836**	1,826
Total employee costs	**30,032**	28,014
Less: amounts included in cost of sales	**(16,778)**	(15,002)
	13,254	13,012

Note: For the years ended 30 June 2024 and 30 June 2023, there were neither contributions forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 30 June 2024 and 30 June 2023, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the government defined contribution retirement benefit scheme.

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of the emoluments of directors and chief executive of the Company for the years ended 30 June 2024 and 2023 are set out as follows:

For the year ended 30 June 2024

	Fees RM'000	Salaries and other benefits RM'000	Discretionary bonus RM'000	Contributions to defined contribution plans RM'000	Total RM'000
Executive directors					
Mr. Tan Hun Tiong	360	780	–	48	1,188
Mr. Tan Han Peng	360	780	–	95	1,235
Mr. Tang Zhiming	360	132	–	37	529
Mr. Chen Da	360	–	–	–	360
Non-executive director					
Ms. Chooi Pey Nee	144	–	–	–	144
Independent non-executive directors					
Mr. Chu Hoe Tin	144	–	–	–	144
Mr. Ng Ying Kit	144	–	–	–	144
Mr. Wong Sze Lok	144	–	–	–	144
	2,016	1,692	–	180	3,888

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

For the year ended 30 June 2023

	Fees RM'000	Salaries and other benefits RM'000	Discretionary bonus RM'000	Contributions to defined contribution plans RM'000	Total RM'000
Executive directors					
Mr. Tan Hun Tiong	348	663	600	41	1,652
Mr. Tan Han Peng	348	663	600	81	1,692
Mr. Tang Zhiming	348	130	–	34	512
Mr. Chen Da	348	–	–	–	348
Non-executive director					
Ms. Chooi Pey Nee	139	–	–	–	139
Independent non-executive directors					
Mr. Chu Hoe Tin	139	–	–	–	139
Mr. Ng Ying Kit	139	–	–	–	139
Mr. Wong Sze Lok	139	–	–	–	139
	1,948	1,456	1,200	156	4,760

Note:

The discretionary bonus is determined by reference to the financial performance of the Group and the performance of the Company's directors in each reporting period.

12. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments in the Group, two (2023: two) were directors of the Company whose emoluments are included in the disclosures in Note 11 above. The emoluments of the remaining three (2023: three) individuals were as follows:

	2024 RM'000	2023 RM'000
Salaries and other benefits	1,794	1,735
Contributions to defined contribution plans	33	31
	1,827	1,766

The emoluments of each of the above non-director highest paid individuals during the years ended 30 June 2024 and 2023 were all within the following bands:

	2024	2023
HK$nil to HK$1,000,000	2	2
HK$1,000,001 to HK$1,500,000	1	1
	3	3

13. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2024 RM'000	2023 RM'000
Malaysian corporate income tax		
— provision for the year	**57**	–
— capital gain tax	**–**	119
— under provision in respect of prior years	**–**	1
	57	120
PRC enterprise income tax		
— provision for the year	**14**	1,665
— under/(over) provision in respect of prior years	**31**	(48)
	45	1,617
Deferred tax (Note 26)	**(25)**	9
Income tax expense	**77**	1,746

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

The Malaysian corporate income tax applicable to Tan Bock Kwee & Sons Sdn. Bhd. ("**TBK**") and Prestasi Senadi Sdn. Bhd. ("**Prestasi Senadi**") is calculated at the statutory tax rate of 24% of the assessable profits for the year ended 30 June 2024. No provision for Malaysian income tax had been provided for the year ended 30 June 2023 as these two subsidiaries had no assessable profits arising in Malaysia.

The provision for PRC current income tax for 聯高能源(山東)有限公司 (Liangao Energy (Shandong) Company Limited) ("**Liangao Shandong**") is based on a statutory rate of 25% of the assessable profits for the years ended 30 June 2024 and 2023 as determined in accordance with the relevant income tax rules and regulations of the PRC.

Pursuant to the Notice on the Policies of Income Tax Preferences for Enterprises in Hainan Free Trade Port (Cai Shui [2020] No. 31) jointly issued by the Department of Finance of Hainan Province and the Hainan Province Tax Service of State Taxation Administration, the Group's subsidiary, 港聯高能源(海南)有限公司 Gangliangao Energy (Hainan) Company Limited ("**Gangliangao Hainan**"), is subject to enterprise income tax at the preferential rate of 15% from 1 January 2020 to 31 December 2024.

13. INCOME TAX EXPENSE *(Continued)*

Other than the above-mentioned subsidiaries, certain PRC subsidiaries are eligible as a small low-profit enterprise and is subject to the preferential tax treatment for the years ended 30 June 2024 and 2023. The portion of annual taxable income amount of a small low-profit enterprise which does not exceed RMB1 million shall be computed at a reduced rate of 12.5% of taxable income amount, and be subject to enterprise income tax at 20% tax rate; the portion of annual taxable income amount which exceeds RMB1 million but does not exceed RMB3 million shall be computed at a reduced rate of 25% of taxable income amount, and be subject to enterprise income tax at 20% tax rate.

No Hong Kong profits tax has been provided as the Group has no assessable profits arising in Hong Kong for the years ended 30 June 2024 and 2023.

As at 30 June 2024, the Group has unused tax losses arising in Hong Kong of approximately RM11,021,000 (2023: RM7,740,000), in Malaysia of approximately RMNil (2023: RM430,000) and in the PRC of approximately RM9,167,000 (2023: RM5,106,000), which are available for offsetting against its future taxable profits for an indefinite period, a period of ten years and a period of five years respectively.

The resulting potential deferred tax assets arising in Hong Kong of approximately RM1,819,000 (2023: RM1,277,000), in Malaysia of approximately RMNil (2023: RM107,000) and in the PRC of approximately RM1,668,000 (2023: RM809,000) have not been recognised due to the unpredictability of future profit streams.

The income tax expense for the years ended 30 June 2024 and 2023 can be reconciled to the loss before income tax expense as in the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 **RM'000**	2023 RM'000
Loss before income tax expense	**(37,829)**	(6,779)
Tax credit calculated at Malaysian statutory corporate tax rate	**(9,078)**	(1,627)
Effect of different tax rates in foreign jurisdictions	**454**	1,009
Tax effect of expenses not deductible for tax purposes	**7,326**	2,115
Tax effect of revenue not taxable for tax purposes	**(40)**	(1,253)
Tax effect of tax losses not recognised	**1,294**	1,362
Tax effect of temporary differences not recognised	**234**	263
Tax effect of capital gain tax	**–**	119
Tax concession	**(119)**	(204)
Under/(over) provision of income tax expense in respect of prior years	**31**	(47)
Tax effect of recognising temporary differences not recognised previously	**(19)**	–
Others	**(6)**	9
Income tax expense	**77**	1,746

13. INCOME TAX EXPENSE *(Continued)*

The Group is within the scope of the Pillar Two Model Rules published by the OECD. Under the rules, the Group is liable to pay a top-up tax for the difference between their Global Anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15 per cent minimum rate. Of the various jurisdictions where the Group operates, Pillar Two legislation has been enacted in the Malaysia as at 30 June 2024 and will become applicable to Malaysia entities from 1 January 2025.

The Group is in the process of assessing its exposure to the legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the legislation is not yet reasonably estimated.

The Group has applied the exception recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in Amendments to IAS 12.

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of Company is based on the following data:

	2024 **RM'000**	2023 RM'000
Loss		
Loss for the year attributable to owners of the Company	**(32,744)**	(8,718)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**1,000,000,000**	1,000,000,000
Effect of dilutive potential ordinary shares:		
— Share options	**–**	1,619,622
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**1,000,000,000**	1,001,619,622

No adjustment has been made to the basic loss per share amount presented for the years ended 30 June 2024 and 30 June 2023 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic loss per share amount presented.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold land and buildings RM'000	Leasehold improvements RM'000	Workshop RM'000	Plant and machinery, excavators, loader and motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Right-of-use assets RM'000	Total RM'000
Cost								
At 1 July 2022	8,481	3,080	320	10	23,961	564	15,378	51,794
Additions	–	–	–	–	779	33	475	1,287
Disposals	–	–	–	–	(130)	–	–	(130)
Lease modification	–	–	–	–	–	–	(4,343)	(4,343)
Translation adjustments	–	–	(10)	–	(20)	(6)	(231)	(267)
At 30 June 2023 and 1 July 2023	8,481	3,080	310	10	24,590	591	11,279	48,341
Additions	–	–	–	–	125	–	–	125
Lease modification	–	–	–	–	–	–	461	461
Write off	–	–	–	–	(552)	(4)	–	(556)
Transferred from right-of-use assets	–	–	–	–	1,800	–	(1,800)	–
Translation adjustments	–	–	5	–	19	4	48	76
At 30 June 2024	8,481	3,080	315	10	25,982	591	9,988	48,447

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Freehold land RM'000	Freehold land and buildings RM'000	Leasehold improvements RM'000	Workshop RM'000	Plant and machinery, excavators, loader and motor vehicles RM'000	Furniture, fittings and office equipment RM'000	Right-of-use assets RM'000	Total RM'000
Accumulated depreciation								
At 1 July 2022	–	686	29	9	21,456	252	4,720	27,152
Charge for the year	–	61	94	–	1,458	116	4,047	5,776
Disposals	–	–	–	–	(13)	–	–	(13)
Lease modification	–	–	–	–	–	–	(2,534)	(2,534)
Translation adjustments	–	–	(1)	–	(1)	–	(50)	(52)
At 30 June 2023 and 1 July 2023	–	747	122	9	22,900	368	6,183	30,329
Charge for the year	–	61	114	1	875	105	2,093	3,249
Write off	–	–	–	–	(552)	(1)	–	(553)
Transferred from right-of-use assets	–	–	–	–	1,770	–	(1,770)	–
Translation adjustments	–	–	2	–	5	2	27	36
At 30 June 2024	–	808	238	10	24,998	474	6,533	33,061
Net carrying amount								
At 30 June 2024	8,481	2,272	77	–	984	117	3,455	15,386
At 30 June 2023	8,481	2,333	188	1	1,690	223	5,096	18,012

As at 30 June 2024, certain freehold land with net carrying amount of RM4,689,000 (2023: RM4,689,000) and right-of-use assets of leasehold land and buildings with total net carrying amount of RM1,599,000 (2023: RM1,617,000) are pledged as securities for the bank facilities granted to the Group as detailed in Note 25.

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

Right-of-use assets

	Leasehold land RM'000	Leasehold land and buildings RM'000	Plant and machinery RM'000	Total RM'000
At 1 July 2022	750	8,648	1,260	10,658
Additions	475	–	–	475
Depreciation	(483)	(2,844)	(720)	(4,047)
Lease modification	–	(1,809)	–	(1,809)
Translation adjustments	–	(181)	–	(181)
At 30 June 2023 and 1 July 2023	742	3,814	540	5,096
Lease modification	461	–	–	461
Depreciation	(477)	(1,196)	(420)	(2,093)
Transferred to Plant and machinery, excavators, loader and motor vehicles	–	–	(30)	(30)
Translation adjustments	–	21	–	21
At 30 June 2024	726	2,639	90	3,455

Details of the lease arrangements of the Group are set out in Note 24 to these consolidated financial statements.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2024 RM'000	2023 RM'000
Depreciation charge of right-of-use assets (Note 10)	**2,093**	4,047
Interest on lease liabilities (Note 24)	**77**	261
Expenses relating to short-term leases (Note 10)	**3,737**	3,041
	5,907	7,349

16. INTANGIBLE ASSETS

	Safety production licenses RM'000	Construction qualification certificates RM'000	Incomplete construction contracts RM'000	Total RM'000
Cost				
At 1 July 2022	110	489	12	611
Translation adjustments	(3)	(14)	–	(17)
At 30 June 2023 and 1 July 2023	107	475	12	594
Translation adjustments	2	10	–	12
At 30 June 2024	109	485	12	606
Accumulated amortisation				
At 1 July 2022	8	20	6	34
Charge for the year	44	118	6	168
At 30 June 2023 and 1 July 2023	52	138	12	202
Charge for the year	44	120	–	164
Translation adjustments	1	5	–	6
At 30 June 2024	97	263	12	372
Net carrying amount				
At 30 June 2024	12	222	–	234
At 30 June 2023	55	337	–	392

17. INTEREST IN AN ASSOCIATE

	2024 RM'000	2023 RM'000
Share of net assets	**174**	148

Details of the Group's associate are as follows:

Name of associate	Form of business structure	Place and date of incorporation	Place of operation	Issued and fully paid-up capital	Effective interest held by the Company 2024	Effective interest held by the Company 2023	Principal activities
OME Diversified Sdn. Bhd. ("**OME Diversified**")	Incorporated	Malaysia 8 May 2020	Malaysia	RM1,001,000	**49%**	49%	General contractors

The summarised financial information of the associate, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

	2024 RM'000	2023 RM'000
As at 30 June		
Non-current assets	**160**	320
Current assets	**735**	847
Current liabilities	**(540)**	(865)
Net assets	**355**	302
Group's share of net assets of the associate	**174**	148

17. INTEREST IN AN ASSOCIATE *(Continued)*

	2024 RM'000	2023 RM'000
Revenue	1,268	2,197
Expenses	(1,215)	(2,141)
Profit before income tax expense	53	56
Income tax expense	–	–
Profit for the year	53	56

18. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 RM'000	2023 RM'000
Trade receivables	76,945	57,656
Less: Allowance for impairment losses	(22,987)	(3,339)
	53,958	54,317
Advances paid to subcontractors and suppliers	17,291	4,184
Other receivables	5,079	839
Deposits	678	855
	23,048	5,878
Less: Allowance for impairment losses	(876)	–
	22,172	5,878
Prepayments	700	567
	76,830	60,762

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 days to 180 days from the invoice dates. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

18. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

(Continued)

The ageing analysis of trade receivables, based on the invoice dates, as at 30 June 2024 and 2023 are as follows:

	2024 RM'000	2023 RM'000
1 to 90 days	34,155	20,825
91 to 180 days	22,782	8,220
181 to 270 days	1,591	10,592
271 to 360 days	2,750	345
Over 360 days	15,667	17,674
	76,945	57,656

The Group did not hold any collateral as security as at 30 June 2024. As at 30 June 2023, the Group's trade receivables of approximately RM17,008,000 were secured by the oil and related products owned by a debtor with current market value of approximately RM18,000,000 as collateral. These trade receivables of approximately RM17,008,000 were fully settled subsequent to the year-end date in early July 2024.

During the year ended 30 June 2024, the Group factoring part of its trade receivables owed by a debtor of RM1,300,000 (2023: RM3,968,000) with full recourse to a financial institution. In the event of default by the debtor, the Group is obligated to pay the financial institution the amount in default. Interest is charged at 4% (2023: 6.38%) on the proceeds received from the financial institution until the date the debtor repay or default. The Group is therefore exposed to the risks of credit losses and late payment in respect of the factoring debts.

The factoring transaction does not meet the requirements for de-recognition of financial assets as the Group retains substantially all risks and rewards of ownership of the factoring trade receivables. As at 30 June 2024, the trade receivables of RM1,300,000 (2023: RM3,968,000) continue to be recognised in the Group's financial statements even though they have been legally transferred to the financial institution. The carrying amount of the transferred assets and their associated liabilities approximates their fair value.

The Group applies the simplified approach to provide for ECLs prescribed by IFRS 9. Details of the impairment assessment of these financial assets are set out in Note 39(c).

19. CONTRACT ASSETS

	2024 RM'000	2023 RM'000
Contract assets	**52,963**	38,768
Less: Allowance for impairment losses	**(3,045)**	(1,416)
	49,918	37,352

As at 30 June 2024, included in contract assets were accrued billings totaling RM41,275,000 (2023: RM33,846,000). Accrued billings relate to the Group's right to consideration for work completed and not billed, and such right is conditional upon the Group's future performance in satisfying the respective performance obligations at the reporting date in respect of civil and structural works contracts.

As at 30 June 2024, retention money for contract works amounted to RM11,688,000 (2023: RM4,922,000) are included in contract assets. Retention money is part of the consideration that the customers retain which is payable on successful completion of the contracts in order to provide the customers with assurance that the Group will complete its obligation satisfactorily under the contracts, rather than to provide financing to the customers. Retention money is unsecured, interest-free and recoverable at the end of the defects liability period of individual contracts. The expected timing of recovery or settlement for contract assets at the end of each reporting period is as follows:

	2024 RM'000	2023 RM'000
Within one year	**47,585**	36,077
After one year	**5,378**	2,691
	52,963	38,768

The Group applies the simplified approach to provide for ECLs prescribed by IFRS 9. Details of the impairment assessment of contract assets are set out in Note 39(c).

20. INVENTORIES

	2024 RM'000	2023 RM'000
Oil and related products	**–**	25,575

21. CASH AND CASH EQUIVALENTS/RESTRICTED BANK BALANCES

	2024	2023
	RM'000	RM'000
Restricted bank balances	**450**	–
Cash and bank balances	**10,378**	27,610
Balances with a financial institution	**18,878**	18,716
	29,256	46,326
Less: Allowance for impairment losses	**(398)**	(398)
Cash and cash equivalents	**28,858**	45,928

The restricted bank balances represented bank balances that are frozen by the banks pursuant to the court orders due to the disputes with a customer and a supplier of the Group. The carrying amounts of restricted bank balances are denominated in Renminbi ("**RMB**"). The Group has settled the disputes with these parties and bank balance of RMB543,000 (equivalent to approximately RM353,000) has been released subsequent to the year-end date in September 2024. The Group is in the process of applying for the release of the remaining bank balances as at the date of this report.

The balances with banks and a financial institution can be withdrawn with short notices. Cash at banks earns interest at floating rates based on daily bank deposit rates. The carrying amounts of the cash and cash equivalents approximate their fair values.

The bank balances are deposited with creditworthy banks with no recent history of default. During the year ended 30 June 2024, the Group provided for ECLs of RM398,000 (2023: RM398,000) against the balance with a financial institution. Details of the related impairment assessment are set out in Note 39(c).

21. CASH AND CASH EQUIVALENTS/RESTRICTED BANK BALANCES *(Continued)*

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	2024 RM'000	2023 RM'000
RM	7,606	13,769
United States Dollar ("**USD**")	18,485	18,832
RMB	2,005	5,204
HK$	762	8,123
	28,858	45,928

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

22. TRADE AND OTHER PAYABLES

	2024 RM'000	2023 RM'000
Trade payables	53,864	27,654
Retention payables	1,222	1,352
Accruals	3,965	3,905
Provision for onerous contracts	–	167
Other payables	8,913	3,193
	67,964	36,271

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 180 days (2023: 30 days to 180 days) from the invoice dates.

22. TRADE AND OTHER PAYABLES *(Continued)*

The ageing analysis of trade payables, based on the invoice dates, as at 30 June 2024 and 2023 are as follows:

	2024 RM'000	2023 RM'000
Within 30 days	31,358	11,600
31 to 60 days	2,297	1,425
61 to 90 days	2,601	78
Over 90 days	17,608	14,551
	53,864	27,654

Retention payables to subcontractors of contract works are interest-free and payable by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts.

Movements in the provision for onerous contracts for the year ended 30 June 2024 and 2023 are as follows:

	2024 RM'000	2023 RM'000
As at 1 July	167	167
Reversal of provision for the year (Note 10)	(167)	–
As at 30 June	–	167

23. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligations as at 30 June 2023 and were expected to be recognised within one year:

	2024 RM'000	2023 RM'000
Trading of oil and related products	**–**	6,119

The balance as at 30 June 2023 represented amounts received from customers in advance in relation to trading of oil and related products and the subleasing. The amounts of revenue from trading of oil and related products are recognised when control of the goods has transferred which is upon the delivery of the related goods to the customers.

Movements in contract liabilities are as follows:

	2024 RM'000	2023 RM'000
As at 1 July	**6,119**	53,735
Decrease as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the year	**–**	(50,397)
Decrease as a result of refund of deposits	**(6,119)**	(1,920)
Increase as a result of receiving receipts in advance	**–**	4,701
As at 30 June	**–**	6,119

24. LEASE LIABILITIES

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in Malaysia and the PRC and the periodic rent is fixed over the lease term. The Group also obtained the right to use certain plant and machinery under leasing arrangements.

During the year, the Group renewed lease arrangement with a company beneficiary owned by two directors of the Company to extend the lease term of leasehold land in Malaysia for one year and resulted in an increment in lease liabilities and the corresponding right-of-use assets of RM461,000.

Set out below are the carrying amount of lease liabilities and the movement during the year:

	RM'000
As at 1 July 2022	7,277
Additions	475
Effect of lease modification	(1,877)
Interests (Note 9)	261
Lease payments	(3,974)
As at 30 June 2023 and 1 July 2023	2,162
Effect of lease modification	461
Interests (Note 9)	77
Lease payments	(1,896)
Translation adjustments	22
As at 30 June 2024	826

24. LEASE LIABILITIES *(Continued)*

Nature of leasing activities (in the capacity as lessee) *(Continued)*

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	2024		2023	
	Present value RM'000	Minimum lease payments RM'000	Present value RM'000	Minimum lease payments RM'000
Not later than one year	826	846	1,692	1,761
Later than one year but not later than two years	–	–	470	478
	826	846	2,162	2,239
Less: total future interest expenses		(20)		(77)
Present value of lease liabilities		826		2,162

The present value of future lease payments are analysed as:

	2024 RM'000	2023 RM'000
Current liabilities	826	1,692
Non-current liabilities	–	470
	826	2,162

As at 30 June 2024, the carrying amounts of lease liabilities are denominated in RM and RMB (2023: RM and RMB).

25. BANK AND OTHER BORROWINGS

	2024 RM'000	2023 RM'000
Secured		
Term loans	**1,748**	1,221
Factoring loan	**1,300**	3,968
Banker's acceptances	**915**	1,942
	3,963	7,131
Borrowings are repayable as follows:		
— within one year	**2,988**	6,384
— after one year but within two years	**488**	177
— after two years but within five years	**316**	298
— after five years	**171**	272
	3,963	7,131
Amount due within one year included in current liabilities	**2,988**	6,384
Amount included in non-current liabilities	**975**	747

Notes:

(a) The interest rate profile of term loans is set out in Note 39(a).

(b) As at 30 June 2024, certain term loans of RM990,000 are guaranteed by a director of a subsidiary (2023: Nil).

(c) As at 30 June 2024 and 2023, the banking facilities granted to the Group were secured by the following:

i. Certain freehold lands (Note 15);

ii. Right-of-use assets of leasehold land and buildings (Note 15);

iii. Pledged bank deposits in total of RM6,617,000 as at 30 June 2024 (2023: RM6,437,000);

iv. Assignment of contract proceeds and debenture on contract proceeds.

25. BANK AND OTHER BORROWINGS *(Continued)*

Notes: (Continued)

(d) As at 30 June 2024, the carrying amount of bank borrowings in Malaysia that are not repayable within one year from the end of the reporting period but contains repayable on demand clause amounted to RM579,000 (2023: RM747,000).

The directors of the Company have obtained legal opinion that, in accordance with the case law in Malaysia, the mere inclusion of a repayment on demand clause in a term loan agreement governed under the laws of Malaysia would not allow the banks to terminate the facilities granted early and to seek immediate repayment from the borrower unless there is breach of the loan agreement by the borrower of the conditions on which the loan was granted, as the repayable on demand clause would not override other terms and conditions provided in the term loan agreement.

Accordingly, the liability associated with the bank borrowings of the Group raised in Malaysia that contained a repayable on demand clause is classified as current and/or non-current liability as at 30 June 2024 and 2023 in accordance with other terms and conditions as stated in the respective term loan agreement.

Any change to the precedence in accordance with the case law in Malaysia relating to the interpretation of the repayment on demand clause in the future may have an impact to the classification of the bank borrowings of the Group.

(e) As at 30 June 2024 and 2023, factoring loan represented amount obtained in factoring transaction which do not meet the de-recognition requirements in IFRS 9. The corresponding financial assets are included in the trade receivables (Note 18).

(f) As at 30 June 2024, the Group has undrawn banking facilities of RM23,019,000 (2023: RM20,765,000)

(g) As at 30 June 2024, the carrying amounts of bank and other borrowings are denominated in RM and RMB (2023: RM and RMB).

26. DEFERRED TAX ASSETS/(LIABILITIES)

Details of the deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and movements during the years ended 30 June 2024 and 2023 are as follows:

	Accelerated depreciation and industrial building allowances RM'000	**Tax losses** RM'000	**Total** RM'000
At 1 July 2022	(3)	–	(3)
Charged to profit or loss (Note 13)	(9)	–	(9)
At 30 June 2023 and 1 July 2023	(12)	–	(12)
Charged to profit or loss (Note 13)	6	19	25
At 30 June 2024	(6)	19	13

At 30 June 2024 and 2023, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. As at 30 June 2024, the aggregate temporary differences associated with investments in subsidiaries in the PRC for which deferred tax liabilities have not been recognised amounted to RM184,000 (2023: RM423,000).

27. SHARE CAPITAL

	Number	**Amount** HK$	**Amount** RM'000
Ordinary shares of par value of HK$0.01 each			
Authorised			
At 1 July 2022, 30 June 2023, 1 July 2023 and 30 June 2024	10,000,000,000	100,000,000	53,000
Ordinary shares of par value of HK$0.01 each			
Issued and fully paid			
At 1 July 2022, 30 June 2023, 1 July 2023 and 30 June 2024	1,000,000,000	10,000,000	5,300

28. RESERVES

The Group

The amount of the Group's reserves and movements are presented in the consolidated statement of changes in equity on page 72.

The Company

	Share premium RM'000	Share option reserve RM'000	Contributed surplus RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000
At 1 July 2022	51,793	845	83,285	2,262	(21,817)	116,368
Other comprehensive income	–	–	–	2,609	–	2,609
Loss for the year	–	–	–	–	(3,847)	(3,847)
At 30 June 2023 and 1 July 2023	51,793	845	83,285	4,871	(25,664)	115,130
Other comprehensive income	–	–	–	2,700	–	2,700
Loss for the year	–	–	–	–	(31,709)	(31,709)
At 30 June 2024	51,793	845	83,285	7,571	(57,373)	86,121

Contributed surplus of the Company represents the difference between the net asset value of the subsidiaries acquired and the nominal value of the shares of the Company issued in exchange thereof pursuant to the Reorganisation.

29. DIVIDEND

The board of directors does not recommend the payment of any dividend for the year ended 30 June 2024 (2023: Nil).

30. SHARE-BASED PAYMENT

Share option scheme

Pursuant to the written resolutions of all the Shareholders passed on 5 September 2019, the Company adopted the share option scheme of the Company (the "**Share Option Scheme**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to enable the board to grant options to employees, any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contributes to the development and growth of the Group or any invested entity (the "**Eligible Persons**") as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Group.

Subject to the provisions in the Share Option Scheme, the board of directors may grant options at any time and from time to time within a period of 10 years commencing from the date of adoption of the Share Option Scheme at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK$1.00 to grant option to the Eligible Persons. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the total number of shares in issue from time to time.

The total number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 100,000,000 shares, being 10% of the total number of shares (assuming no options are granted under the Share Option Scheme) in issue on the Listing Date (the "**Scheme Limit**") unless approved by its Shareholders pursuant to the paragraph below. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company shall not be counted for the purpose of calculating the Scheme Limit.

The Company may seek separate approval of the Company's Shareholders in general meeting for refreshing the Scheme Limit provided that such limit as refreshed shall not exceed 10% of the total number of shares (assuming no options are granted under the Share Option Scheme) in issue as at the date of the approval of the Company's Shareholders on the refreshment of the Scheme Limit. Options previously granted under the Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme of the Company) will not be counted for the purpose of calculating the limit as refreshed. Subject to the rules of the Share Option Scheme, option may be exercised in whole or in part by the grantee at any time before the expiry of the period to be determined and notified by the Board to the grantee which in any event shall not be longer than 10 years commencing on the date of the offer letter and expiring on the last day of such 10-year period.

On 12 May 2021, a total of 10,000,000 share options were granted to an employee of the Group and a director of a subsidiary of the Company with exercise price of HK$0.35 per share. The closing price at the date of grant was HK$0.34 per share. The Company has not granted any share options during the years ended 30 June 2024 and 2023.

30. SHARE-BASED PAYMENT *(Continued)*

Details of the share options granted by the Company were as follows:

Category of participant	Date of grant	Exercise price per share		Outstanding at 1 July 2023, 30 June 2023, and 30 June 2024	Exercise period	Vesting period
		HK$	RM			
A director of a subsidiary of the Company	12 May 2021	0.35	0.19	5,000,000	12 May 2021 to 11 May 2026	N/A
Employee	12 May 2021	0.35	0.19	5,000,000	12 May 2021 to 11 May 2026	N/A
				10,000,000		

There was no exercise or lapse of share options during the years ended 30 June 2024 and 2023 and 10,000,000 (2023: 10,000,000) share options were exercisable at the end of the year.

According to the rules of the Share Option Scheme, the options accepted by the grantees can be exercised in whole or in part at any time commencing on 12 May 2021 and expiring on 11 May 2026. Based on this rule, all the share options can be exercised as at 30 June 2021 and therefore the fair value of share options was recognised in full for the year ended 30 June 2021.

No equity-settled share-based payment expense was recognised during the years ended 30 June 2024 and 2023.

31. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2024 RM'000	2023 RM'000
Non-current assets			
Interests in subsidiaries	32	62,853	83,302
Current assets			
Prepayments		76	54
Amounts due from subsidiaries		44,320	50,509
Cash and cash equivalents		93	2,013
		44,489	52,576
Current liabilities			
Accruals and other payables		924	432
Amount due to subsidiaries		14,997	15,016
		15,921	15,448
Net assets		28,568	37,128
TOTAL ASSETS		91,421	120,430
Equity			
Share capital	27	5,300	5,300
Reserves	28	86,121	115,130
TOTAL EQUITY		91,421	120,430

On behalf of the Board

Tan Han Peng
Director

Tan Hun Tiong
Director

32. INTERESTS IN SUBSIDIARIES

As at each reporting date, the Company has direct and indirect interests in the following subsidiaries, all of which are private companies with limited liabilities:

Name of subsidiaries	Place and date of incorporation	Place of operation	Issued and paid-up capital/registered capital	Effective interest held by the Company		Principal activities
				2024	2023	
Directly held:						
TBKS Investments (B.V.I.) Ltd	British Virgin Islands ("**BVI**") 17 July 2018	BVI	USD100	100%	100%	Investment holding
Union Top Investment Holding Limited	BVI 1 December 2020	BVI	USD1,000	100%	100%	Investment holding
Sheen Bright Engineering Holding Limited	BVI 25 May 2021	BVI	USD1,000	100%	100%	Investment holding
Century Tranquil Investment Holding Limited	BVI 9 March 2022	BVI	USD1,000	100%	100%	Investment holding
Grand Winner Investment Holding Limited	BVI 15 October 2021	BVI	USD1,000	100%	100%	Investment holding
Mandala Petroleum Limited**	BVI 7 June 2024	BVI	USD50,000	51%	N/A	Dormant
Indirectly held:						
TBKS Holding Sdn. Bhd.	Malaysia 25 October 2018	Malaysia	RM10,000	100%	100%	Investment holding
TBKS Hong Kong Limited	Hong Kong 26 June 2018	Hong Kong	HK$10,000	100%	100%	Treasury function and investment function
Tan Bock Kwee & Sons Sdn. Bhd.	Malaysia 22 May 1975	Malaysia	RM1,200,000	100%	100%	Civil and structural works contractor
Prestasi Senadi Sdn. Bhd.	Malaysia 4 January 1993	Malaysia	RM800,000	100%	100%	Civil and structural works contractor and hire of machinery
Union Top Energy (Hong Kong) Limited	Hong Kong 30 December 2020	Hong Kong	HK$10,000	100%	100%	Trading of oil and related products
港聯高能源（海南）有限公司 Gangliangao Energy (Hainan) Company Limited ("**Gangliangao Hainan**")*#	PRC 29 March 2021	PRC	Issued and paid-up capital: RMB12,496,500 registered capital: RMB13,000,000	100%	100%	Trading of oil and related products
Sheen Bright Engineering Limited	Hong Kong 11 January 2021	Hong Kong	HK$1	100%	100%	Investment holding
港聯高能源（青島）有限公司 Gangliangao Energy (Qingdao) Company Limited ("**Gangliangao Qingdao**")*#	PRC 10 September 2021	PRC	Issued and paid-up capital: RMB3,100,000 registered capital: RMB10,000,000	100%	100%	Trading of oil and related products

32. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place and date of incorporation	Place of operation	Issued and paid-up capital/registered capital	Effective interest held by the Company 2024	2023	Principal activities
聯高能源（山東）有限公司 Liangao Energy (Shandong) Company Limited ("**Liangao Shandong**")*#	PRC 9 October 2021	PRC	Issued and paid-up capital: USD1,522,525 registered capital: USD40,000,000	**100%**	100%	Trading of oil and related products
泰科華岳科技工程（青島）有限公司 Taikehuayue Technology & Engineering (Qingdao) Company Limited ("**Taikehuayue**") *#	PRC 11 March 2022	PRC	Issued and paid-up capital: USD999,800 registered capital: USD40,000,000	**100%**	100%	Civil and structural works contractor
中盛輝（北京）工程技術有限公司 Zhongshenghui (Beijing) Engineering Technology Company Limited ("**Zhongshenghui**")*#	PRC 27 May 2022	PRC	Issued and paid-up capital: RMBNil registered capital: RMB20,000,000	**100%**	100%	Dormant
青島鑫弘耀建设科技有限公司 Qingdao Xinhongyao Construction Technology Company Limited ("**Xinhongyao Construction**")*#	PRC 16 March 2021	PRC	Issued and paid-up capital: RMB6,846,886 registered capital: RMB50,000,000	**75%**	75%	Provision of construction and renovation works projects
Century Tranquil (Hong Kong) Investment Holding Limited	Hong Kong 13 April 2022	Hong Kong	HK$10,000	**100%**	100%	Dormant
Grand Winner (Hong Kong) Investment Holding Limited	Hong Kong 13 April 2022	Hong Kong	HK$10,000	**100%**	100%	Investment holding
聯高能源（廣州）有限公司 Liangao Energy (Guangzhou) Co., Limited ("**Liangao Guangzhou**")*#	PRC 16 August 2022	PRC	Issued and paid-up capital: HK$Nil registered capital: HK$20,000,000	**100%**	100%	Dormant
Across Corporate Development Limited	BVI 1 June 2022	BVI	USD1,000	**100%**	100%	Dormant
Lead Top Investment Holding Limited	BVI 9 June 2022	BVI	USD1,000	**100%**	100%	Dormant

* The English name is for identification only. The official name of the company is in Chinese.

** Subsidiary newly incorporated during the year.

The legal entity is wholly-foreign owned enterprise.

None of the subsidiaries had issued any debt securities at the end of the year or any time during the year.

33. NON-CONTROLLING INTERESTS

Xinhongyao Construction, a 75% owned subsidiary of the Group, has material non-controlling interests ("**NCI**").

Summarised financial information in relation to Xinhongyao Construction, before intra-group eliminations, is presented below together with amounts attributable to NCI:

	2024 RM'000	2023 RM'000
NCI percentage	25%	25%
Non-current assets	454	730
Current assets	48,157	34,270
Non-current liabilities	(396)	–
Current liabilities	(63,072)	(29,301)
(Net liabilities)/net assets	(14,857)	5,699
(Net liabilities)/net assets attributable to NCI	(3,687)	1,452

	2024 RM'000	2023 RM'000
Revenue	52,484	37,192
(Loss)/profit before tax	(20,646)	767
Other comprehensive income	89	(51)
(Loss)/profit allocated to NCI	(5,162)	193
Other comprehensive income allocated to NCI	23	(14)
Dividend paid to NCI	–	–

	2024 RM'000	2023 RM'000
Cash flows from operating activities	2,127	(6,852)
Cash flows from investing activities	–	(40)
Cash flows from financing activities	(1,788)	6,878
Net cash inflows/(outflows)	339	(14)

34. RELATED PARTY TRANSACTIONS

(a) Other than disclosed in Note 24, the Group had the following transactions with the related party during the year:

Name of related party	Relationship	Nature of transaction	Amount 2024 RM'000	2023 RM'000
OME Diversified	Associate	Sub-contracting charges	**476**	507
OME Diversified	Associate	Construction revenue	**–**	60
Nostalgia Cemerlang Sdn. Bhd.	Related party*	Short-term lease payment	**48**	–

* Nostalgia Cemerlang Sdn. Bhd., a company in which Mr. Tan Hun Tiong and Mr. Tan Han Peng were the directors and the beneficial shareholders.

The related party transaction described above was carried out based on negotiated terms and conditions agreed with the related party.

(b) Compensation of key management

Remuneration of key management personnel, who are directors of the Company, during the year were disclosed in Note 11.

35. CONTINGENT LIABILITIES

As at 30 June 2024 and 2023, the Group did not have any significant contingent liabilities.

36. PERFORMANCE GUARANTEES

As at 30 June 2024, performance guarantees of RM1,435,000 (2023: RM2,197,000) were given by banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under certain contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance guarantees have been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such banks accordingly. The performance guarantees will be released upon completion of the contract works. The performance guarantees were granted under the banking facilities granted to the Group as detailed in Note 25 to these financial statements.

In the opinion of the management of the Group, they do not consider it is probable that a claim will be made against the Group in respect of the above performance guarantees.

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major non-cash transaction

During the year ended 30 June 2024, the Group had non-cash increment in right-of-use assets and lease liabilities of RM461,000 (2023: RM475,000) in respect of its lease arrangement for the leasehold land (Notes 15 and 24).

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RM'000	Bank and other borrowings RM'000	Total RM'000
At 1 July 2023	2,162	7,131	9,293
Changes from cash flows:			
Interest paid on lease liabilities	(77)	–	(77)
Interest paid on bank and other borrowings	–	(282)	(282)
Repayment of lease liabilities	(1,819)	–	(1,819)
Proceeds from bank and other borrowings	–	5,167	5,167
Repayment of bank and other borrowings	–	(8,335)	(8,335)
Total changes from financing cash flows:	(1,896)	(3,450)	(5,346)
Other changes:			
Lease modification	461	–	461
Interest on lease liabilities	77	–	77
Interest on bank and other borrowings	–	282	282
Translation adjustments	22	–	22
Total other changes	560	282	842
At 30 June 2024	826	3,963	4,789

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

Reconciliation of liabilities arising from financing activities *(Continued)*

	Lease liabilities RM'000	Bank and other borrowings RM'000	Total RM'000
At 1 July 2022	7,277	3,829	11,106
Changes from cash flows:			
Interest paid on lease liabilities	(261)	–	(261)
Interest paid on bank and other borrowings	–	(573)	(573)
Repayment of lease liabilities	(3,713)	–	(3,713)
Proceeds from bank and other borrowings	–	3,968	3,968
Repayment of bank and other borrowings	–	(666)	(666)
Total changes from financing cash flows:	(3,974)	2,729	(1,245)
Other changes:			
New leases	475	–	475
Lease modification	(1,877)	–	(1,877)
Interest on lease liabilities	261	–	261
Interest on bank and other borrowings	–	573	573
Total other changes	(1,141)	573	(568)
At 30 June 2023	2,162	7,131	9,293

38. CAPITAL MANAGEMENT

Capital is equivalent to issued capital and reserves attributable to the owners of the Company or total equity. The primary objectives of the Group's capital management are to ensure that it maintains strong capital base and healthy capital ratios in order to sustain its future business development and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions by meeting the internal capital requirements, optimising return to shareholders, maintaining adequate levels and optimum mix of capital. To meet these objectives, the Group may adjust the dividend payment to its shareholders, return capital to shareholders or issue new shares. No changes were made to these objectives, policies or processes during the years ended 30 June 2024 and 2023.

The Group monitors capital by actively managing the level of gearing ratio which is total debts (bank and other borrowings and lease liabilities) divided by total equity. The gearing ratio at the end of each reporting period was as follows:

	2024 **RM'000**	2023 RM'000
Total debts	**4,789**	9,293
Total equity	**107,232**	144,466
Gearing ratio	**4%**	6%

39. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives are value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to interest rate risk, liquidity risk, credit risk and currency risk. Information on the management of the related exposures is detailed below:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's borrowings at variable interest rates are exposed to a risk of change in cash flows due to changes in interest rates.

The Group borrows for operations at variable interest rates under term loans and bank overdrafts. There is no formal hedging policy with respect to interest rate exposure.

39. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Interest rate risk *(Continued)*

The following details the interest rate profile of the Group's financial instruments at the end of each reporting period.

	As at 30 June			
	2024		2023	
	Effective interest rate (%)	RM'000	Effective interest rate (%)	RM'000
Fixed rate				
Lease liabilities	2.60-9.00	826	2.60-6.00	2,162
Banker's acceptances	5.04-5.06	915	5.02-5.04	1,942
Factoring loan	4.18%	1,300	6.38	3,968
Less: Fixed deposits with licensed banks	2.20-3.00	(6,617)	2.00-3.00	(6,437)
Net fixed rate borrowings		(3,576)		1,635
Floating rate				
Term loans	6.20-10.55	1,748	5.75-6.20	1,221
Total net borrowings		(1,828)		2,856
Net fixed rate borrowings as a percentage of total net borrowings		N/A		57.2%

39. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Interest rate risk *(Continued)*

Sensitivity analysis for interest rate risk

The following table illustrates the approximate change in the Group's loss for the year and retained profits in response to reasonably possible changes in interest rates at the end of each of the following year with all other variables held constant:

	2024 **RM'000**	2023 RM'000
Increase by 0.5%	**(7)**	(5)
Decrease by 0.5%	**7**	5

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2023.

(b) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. The liquidity risk management strategy adopted by the Group is to measure and forecast its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's liabilities at the end of each reporting period based on contractual undiscounted repayment obligations (including interest payments computed using contractual rates, or if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

39. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Liquidity risk *(Continued)*

Analysis of financial instruments by remaining contractual maturities (Continued)

	Carrying amount RM'000	Total contractual undiscounted cash flows RM'000	Within 1 year or repayable on demand RM'000	More than 1 year but less than 2 years RM'000	More than 2 years but less than 5 years RM'000	More than 5 years RM'000
30 June 2024						
Trade and other payables	67,964	67,964	67,964	–	–	–
Lease liabilities	826	846	846	–	–	–
Bank and other borrowings	3,963	4,243	3,144	541	379	179
	72,753	73,053	71,954	541	379	179
Performance guarantees issued (Note 36)	–	1,435	1,435	–	–	–

	Carrying amount RM'000	Total contractual undiscounted cash flows RM'000	Within 1 year or repayable on demand RM'000	More than 1 year but less than 2 years RM'000	More than 2 years but less than 5 years RM'000	More than 5 years RM'000
30 June 2023						
Trade and other payables	36,271	36,271	36,271	–	–	–
Lease liabilities	2,162	2,239	1,761	478	–	–
Bank and other borrowings	7,131	7,358	6,470	216	379	293
	45,564	45,868	44,502	694	379	293
Performance guarantees issued (Note 36)	–	2,197	1,331	866	–	–

39. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Credit risk

The Group is exposed to credit risk in relation to its trade, other receivables and deposits, contract assets, cash deposits at banks and account balance with a financial institution. The Group's maximum exposure to credit risk in relation to these financial assets is limited to the carrying amounts of these assets at the end of the reporting period.

At the end of each reporting period, the Group has concentration of credit risk as 23.1% (2023: 29.5%) and 71.8% (2023: 73.1%) of the Group's total trade receivables was due from the Group's top customer and the top five customers, respectively.

The Group measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime ECLs. The ECLs on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor, current market condition in relation to each debtor's exposure. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

The Group recognises lifetime ECLs for trade receivables and contract assets, which are not credit impaired, based on individually significant customer or the ageing of customers collectively that are not individually significant as follows:

As at 30 June 2024	Weighted average lifetime ECL rate	Gross carrying amount RM'000	Lifetime ECLs RM'000	Net carrying amount RM'000
Trade receivables				
Collective assessment				
Not past due	5.47%	12,591	(689)	11,902
Past due				
1–90 days	38.35%	26,292	(10,084)	16,208
91–180 days	51.85%	1,300	(674)	626
181–270 days	55.63%	8,812	(4,902)	3,910
271–360 days	55.25%	2,659	(1,469)	1,190
over 360 days	62.19%	7,160	(4,453)	2,707
		58,814	(22,271)	36,543
Individual assessment	3.95%	18,131	(716)	17,415
		76,945	(22,987)	53,958
Contract assets				
Collective assessment	5.75%	52,963	(3,045)	49,918

39. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Credit risk *(Continued)*

As at 30 June 2023	Weighted average lifetime ECL rate	Gross carrying amount RM'000	Lifetime ECLs RM'000	Net carrying amount RM'000
Trade receivables				
Collective assessment				
Not past due	3.12%	21,202	(661)	20,541
Past due				
1–90 days	17.97%	3,723	(669)	3,054
91–180 days	10.00%	7,711	(771)	6,940
181–270 days	52.44%	675	(354)	321
271–360 days	61.71%	316	(195)	121
		33,627	(2,650)	30,977
Individual assessment	2.87%	24,029	(689)	23,340
		57,656	(3,339)	54,317
Contract assets				
Collective assessment	3.52%	38,516	(1,356)	37,160
Individual assessment	23.81%	252	(60)	192
		38,768	(1,416)	37,152

39. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Credit risk *(Continued)*

As at 30 June 2024 and 2023, the loss allowance provision in respect of trade receivables and contract assets reconciles to the opening loss allowance provision as follows:

	Trade receivables RM'000	Contract assets RM'000	Total RM'000
Balance as at 1 July 2022	930	824	1,754
Reversal of impairment loss	(69)	(466)	(535)
Provision for loss allowance recognised in profit or loss,net	2,490	1,058	3,548
Translation adjustments	(12)	–	(12)
Balance as at 30 June 2023	3,339	1,416	4,755
Balance as at 1 July 2023	**3,339**	**1,416**	**4,755**
Reversal of impairment loss	**27**	**(60)**	**(33)**
Provision for loss allowance recognised in profit or loss, net	**19,594**	**1,683**	**21,277**
Translation adjustments	**27**	**6**	**33**
Balance as at 30 June 2024	**22,987**	**3,045**	**26,032**

The Group carried out monitoring procedures to ensure that follow-up actions has been taken to recover those overdue debts. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The credit risk on the Group's cash and bank balances is minimal as such amounts are placed in banks with good reputation.

39. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Credit risk *(Continued)*

As at the end of the reporting period, the Group has maintained balances in the investment account of a privately held financial institution based in Malaysia. This financial institution holds a license to carry out money-broking business in Malaysia. The impairment loss was calculated in accordance with IFRS 9 with reference to the default risks of financial institutions in similar industry in Malaysia. As at 30 June 2024, the Group provided for ECLs of RM398,000 (2023: RM398,000) against the balances with this financial institution.

In order to minimise the credit risk of other receivables and deposits, the directors of the Company periodically assess the ECLs on these amounts. This evaluation involves a thorough review of the recoverability of other receivables and deposits taking into account of historical settlement records, past experiences, current market conditions and forward-looking information that reflects general macroeconomic conditions. The directors of the Company believe that there has been no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECLs. For the year ended 30 June 2024, the Group provided ECLs of RM876,000 (2023: RMNil) against other receivables.

(d) Currency risk

The Group is exposed to foreign currency risk primarily through transactions that are denominated in currencies other than the functional currency of each of the Group's entities. The currency relevant to this risk is primarily USD.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which it relates.

	2024 RM'000	2023 RM'000
Assets denominated in USD		
Cash and cash equivalents	**18,485**	18,832

If the exchange rate of USD against RM had appreciated/depreciated by 5%, profit for the year would increase by RM924,000 (2023: RM942,000), respectively.

40. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying values of the Group's financial assets and financial liabilities as recognised at 30 June 2024 and 2023 are categorised as follows:

	As at 30 June	
	2024	2023
	RM'000	RM'000
Financial assets		
Financial assets at amortised cost		
Trade receivables, other receivables and deposits	**76,130**	60,195
Pledged time deposits	**6,617**	6,437
Restricted bank balances	**450**	–
Cash and cash equivalents	**28,858**	45,928
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**67,964**	36,271
Bank and other borrowings	**3,963**	7,131
Lease liabilities	**826**	2,162

The carrying values of the Group's financial assets and financial liabilities at amortised cost (including current portion of lease liabilities and bank and other borrowings) listed above approximate their respective fair values due to their short term nature.

The fair values of the non-current portion of the lease liabilities and bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for borrowings with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for lease liabilities and bank and other borrowings as at 30 June 2024 and 2023 was assessed to be insignificant. The carrying values of the non-current portion of lease liabilities and bank and other borrowings also approximate their fair values as at 30 June 2024 and 2023.

41. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the directors on 27 September 2024.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, and of the assets, liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements is set out below.

RESULTS

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	**2024** **RM'000**
Revenue	151,147	189,081	825,908	367,940	**288,093**
Cost of sales	(117,115)	(175,784)	(795,026)	(353,716)	**(283,206)**
Gross profit	34,032	13,297	30,882	14,224	**4,887**
Other income and gains and losses	5,273	2,685	2,289	4,092	**1,274**
Selling and distribution expenses	–	–	(1,318)	(1,519)	**(735)**
Administrative expenses	(16,370)	(12,339)	(16,119)	(21,100)	**(20,802)**
Impairment loss on trade receivables and contracts, net	(438)	(779)	(348)	(3,013)	**(21,244)**
(Impairment loss)/reversal of impairment on other receivables	–	–	(1,251)	1,344	**(876)**
Finance costs	(822)	(485)	(496)	(834)	**(359)**
Listing expenses	(3,838)	–	–	–	**–**
Share of (loss)/profit of an associate, net of tax	–	(182)	(147)	27	**26**
Profit/(loss) before income tax expense	17,837	2,197	13,492	(6,779)	**(37,829)**
Income tax expense	(5,692)	(1,595)	(2,952)	(1,746)	**(77)**
Profit/(loss) for the year	12,145	602	10,540	(8,525)	**(37,906)**
Attributable to:					
Owners of the Company	12,145	602	10,402	(8,718)	**(32,744)**

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	**2024** **RM'000**
Total assets	183,191	164,614	241,378	197,702	**181,519**
Total liabilities	(43,596)	(25,904)	(88,539)	(53,236)	**(74,287)**
Total equity	139,595	138,710	152,839	144,466	**107,232**
Non-controlling interests	–	–	1,273	1,452	**(3,687)**