TALIWORKS CORPORATION
LGB Group

ANNUAL REPORT 2024

BUILT ON STRENGTH

PROGRESSING FORWARD

INSIDE THIS REPORT

Cover Rationale

Built on Strength
Progressing Forward

The cover design reflects the strength and progress of Taliworks through a multi-layered structure that symbolises our five core business divisions. Each layer stands alone yet is seamlessly connected, emphasising our diverse expertise and collaborative approach. The design features pillars that represent the solid foundation of the Group while showcasing our steady growth and forward momentum.

The graphic also highlights the structured, organised nature of the Group, with a focus on human scale — an architectural principle that balances strength and personal experience. This illustrates how our leadership, combined with years of experience, drives both stability and progress, ensuring a future where strength and growth go hand-in-hand.

34th Annual General Meeting

Thursday
12 June 2025

2.30 p.m. local time
(GMT+8)

Grand Ballroom, Level 1, M World Hotel Petaling Jaya
(formerly known as Avante Hotel),
Persiaran Bandar Utama, Bandar Utama,
47800 Petaling Jaya, Selangor

2024 At A Glance

Revenue
RM451.4 million

Profit for the Financial Year
RM102.5 million

Total Shareholders' Equity
RM962.4 million

Feature in this Annual Report

Follow the steps below to scan the QR code reader in 3 easy steps:

Step 1

Download the "QR Code Reader" on App Store or Google Play.

Step 2

Run the QR Code Reader app and point your camera to the QR Code.

Step 3

Get access to the documents related to Taliworks' Annual Report 2024 & 34th AGM.

Navigation Icons

The following icons are used in this report to indicate where additional information can be found.

This icon tells you where you can go for more information online.

This icon tells you where you can find related information in this report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz
Independent Non-Executive Chairman

Kevin Chin Soong Jin
Executive Director
(Appointed on 1 March 2024)

Datuk Roger Tan Kor Mee
Senior Independent
Non-Executive Director
(Redesignated on 24 February 2025)

Datin Pauline Tam Poh Lin
Independent Non-Executive Director

Datin Irene Lim Ai Ling
Non-Independent
Non-Executive Director
(Appointed on 15 August 2024)

Raja Datuk Zaharaton Binti Raja Dato' Zainal Abidin
Senior Independent
Non-Executive Director
(Retired on 13 June 2024)

Ahmad Jauhari Bin Yahya
Independent Non-Executive Director
(Retired on 13 June 2024)

Lim Chin Sean
Non-Independent
Non-Executive Director
(Retired on 13 June 2024)

Dato' Lim Yew Boon
Executive Director
(Retired on 29 February 2024)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman:
Datin Pauline Tam Poh Lin

Members:
Datuk Roger Tan Kor Mee

Datin Irene Lim Ai Ling
(Appointed as member on 15 August 2024)

Lim Chin Sean
(Ceased to be a member on 13 June 2024)

NOMINATING AND REMUNERATION COMMITTEE
(merged on 15 August 2024)

Chairman:
Datuk Roger Tan Kor Mee
(Redesignated as Chairman on 15 August 2024)

Raja Datuk Zaharaton Binti Raja Dato' Zainal Abidin
(Ceased to be the Chairman of the Nominating Committee and Remuneration Committee on 13 June 2024)

Members:
Datin Pauline Tam Poh Lin

Datin Irene Lim Ai Ling
(Appointed as member on 15 August 2024)

Ahmad Jauhari Bin Yahya
(Ceased to be a member of the Nominating Committee on 13 June 2024)

Lim Chin Sean
(Ceased to be a member of the Remuneration Committee on 13 June 2024)

COMPANY SECRETARIES

Tai Yit Chan
(SSM PC No.: 202008001023)
(MAICSA 7009143)

Tai Yuen Ling
(SSM PC No.: 202008001075)
(LS 0008513)

REGISTERED OFFICE

12th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor, Malaysia.
T +603 7890 4800
F +603 7890 4650
E info.my@boardroomlimited.com
W www.boardroomlimited.com

PRINCIPAL OFFICE

Level 19, Menara LGB,
No. 1, Jalan Wan Kadir,
Taman Tun Dr. Ismail,
60000 Kuala Lumpur, Malaysia.
T +603 2788 9100
F +603 2788 9101
E info@taliworks.com.my
W www.taliworks.com.my

SHARE REGISTRARS

Boardroom Share Registrars Sdn. Bhd.
199601006647 (378993-D)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor, Malaysia.
T +603 7890 4700
F +603 7890 4670
E bsr.helpdesk@boardroomlimited.com
W www.boardroomlimited.com

AUDITORS

Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)
Level 16, Menara LGB,
No. 1, Jalan Wan Kadir,
Taman Tun Dr. Ismail,
60000 Kuala Lumpur, Malaysia.
T +603 7610 8888
F +603 7726 8986

PRINCIPAL BANKERS

Ambank Islamic Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Maybank Islamic Berhad

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

Stock & Code:
TALIWRK & 8524 (Utilities)

AGM HELPDESK

Contact Person:
Catherina Yeoh/Nur Adlina Izuddin
Corporate Communications
T +603 2788 9100
E catherina.yeoh@taliworks.com.my
adlina.izuddin@taliworks.com.my

VISION STATEMENT

We strive to be an established infrastructure company with capabilities to design, build and operate an infrastructure project; providing end-to-end solutions to prospective customers.

We are committed to:

Provide sustainable and equitable returns to shareholders and investors through business progression and value creation.

Provide exceptional services and a compelling value proposition to our clients by engaging with them in a customer-centric manner.

Conduct our business affairs in an ethical and socially responsible manner, with a particular emphasis on implementing environmentally sustainable practices within the organisation.

Promote the development of human capital to enhance the value of employees both as individuals and as assets to the organisation.

Taliworks aims to develop new growth platforms by exploring investment and business opportunities both locally and internationally, with a focus on activities that complement its current core businesses. With a track record of success, expertise, and technical know-how, Taliworks is equipped to take on any future opportunities and challenges. In pursuit of responsible and sustainable commercial success, Taliworks is committed to providing services that are socially, environmentally, and economically responsible.

CORPORATE PROFILE

Background History

Taliworks Corporation Berhad ("Taliworks" or the "Group") is listed on the Main Market of Bursa Malaysia Securities Berhad under the Utilities Sector (Name & Code: TALIWRK & 8524). Taliworks, an established infrastructure company, is primarily involved in five core businesses as follows: -

1. Water Treatment and Supply
2. Highway Toll Concessionaire, Operations and Maintenance Operator
3. Engineering and Construction
4. Waste Management
5. Renewable Energy

In year 2000, LGB Group, being one of the pioneers in the privatisation of potable water treatment and supply services in Malaysia since 1987, undertook a reverse takeover exercise by injecting 100% equity interest in Sungai Harmoni Sdn. Bhd. ("Sungai Harmoni") and Taliworks (Langkawi) Sdn. Bhd. ("Taliworks Langkawi") respectively, and a 45% equity interest in C.G.E Utilities (M) Sdn. Bhd. into Carpets International Malaysia Berhad, which was then listed on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE") (now known as Bursa Malaysia Securities Berhad). Subsequently on 27 October 2000, it was transferred to the Main Board of the KLSE and was renamed Taliworks Corporation Berhad on 24 November 2000. The water treatment, supply and distribution business subsequently became Taliworks' main core business.

In 2004, Taliworks diversified its business interests to include wastewater management in the People's Republic of China. Thereafter, it expanded into the highway toll concessionaire, operations and maintenance business in 2007.

In 2016, Taliworks completed the realignment of its strategic business, focusing on mature operational cash-generating utilities/ infrastructure businesses to support its general dividend policy by disposing its businesses in the People's Republic of China and subsequently acquired a 35% equity interest in SWM Environment Holdings Sdn. Bhd. ("SWMEH"), adding waste management business in Malaysia to Taliworks' profile.

In 2022, Taliworks successfully acquired four solar assets near Kuala Lumpur International Airport ("KLIA"), with a total capacity of 19 megawatt peak ("MWp"). The acquisition is an important first step for Taliworks in its journey to become a prominent player in the renewable energy space.

Water Treatment and Supply

One of Taliworks' core businesses is in the water supply sector. The business entails an operations and maintenance ("O&M") contract for the Sungai Selangor Water Treatment Plant Phase 1 ("SSP1") that supplies potable water to large parts of Selangor and Kuala Lumpur. Total daily treated water production of SSP1 is equivalent to almost 20% of total treated water requirement of Klang Valley and Selangor.

The Group had previously operated and maintained Pulau Langkawi's entire water supply and distribution facilities under the Langkawi Water Supply Privatisation Agreement with the State Government of Kedah. Taliworks Langkawi was granted a 25-year concession to undertake and carry out O&M activities from 7 October 1995 to 31 October 2020. All operations have since been handed over to Syarikat Air Darul Aman Sdn. Bhd., a corporatised body under the State Government of Kedah.

Sungai Harmoni Sdn. Bhd. ("Sungai Harmoni") is the O&M operator of SSP1 with a combined design operating capacity of 950 million litres per day. As part of a water restructuring exercise undertaken by the State Government of Selangor to consolidate the water industry in the state, Sungai Harmoni entered into a Bulk Water Supply Agreement in 2019 with Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor") in which its SSP1's O&M contract was extended for an additional 7 years to December 2036. To operate SSP1, Sungai Harmoni was awarded an Individual License pursuant to Section 9 of the Water Services Industry Act 2006 from the Suruhanjaya Perkhidmatan Air Negara ("SPAN").

CORPORATE PROFILE

Highway Toll Concessionaire, Operations and Maintenance Operator

Taliworks owns and operates two highways, specifically the Cheras-Kajang Highway, also known as Grand Saga Highway and the New North Klang Straits Bypass Expressway, or commonly referred to as the Grand Sepadu Highway.

Grand Saga Sdn. Bhd. ("Grand Saga")

The acquisition of the 55% equity interest in a joint venture company, Cerah Sama Sdn. Bhd. ("Cerah Sama") in 2007 marked Taliworks' first venture into highway ownership and toll operations. Cerah Sama is the holding company of Grand Saga, a company that owns and operates the concession for the Grand Saga Highway until September 2045. The highway, one of Malaysia's first four-lane dual carriageways, spans 11.5 km, stretching from the Connaught Interchange in Cheras to Saujana Impian in Kajang. It serves the densely populated and fast-growing Cheras-Kajang vicinity, easing traffic congestion and reducing travel time for daily commuters. The highway concession comprises two toll plazas (with toll collection at one bound), namely the Batu 9 toll plaza (Kajang bound) and the Batu 11 toll plaza (Kuala Lumpur bound), one rest and service area and nine interchanges.

2014 marked Taliworks' first collaboration with Employees Provident Fund Board ("EPF") through EPF's acquisition of an effective 31.85% equity interest in Cerah Sama via TEI Sdn. Bhd. ("TEI"). TEI, the immediate holding company of Cerah Sama, was established as the flagship vehicle for both parties to acquire and operate mature, cash- generating utilities and infrastructure assets in Malaysia and developed countries. In 2015, TEI acquired the remaining 35% equity interest in Cerah Sama held by SEASAF Highway Sdn. Bhd. TEI is currently 51% held by Taliworks and 49% by EPF.

Grand Sepadu (NK) Sdn. Bhd. ("Grand Sepadu")

In December 2014, Taliworks through its indirect joint venture, Grand Sepadu, acquired the assets and concession rights to the New North Klang Straits Bypass Expressway ("Grand Sepadu Highway") from Lebuhraya Shapadu Sdn. Bhd. (in liquidation) for a cash consideration of RM265 million. At the time of the acquisition, the concession had 18 years remaining, set to end in December 2032. The Grand Sepadu Highway, which commenced toll operations in 2002, is a 17.5 km two-lane and three-lane dual carriageway highway that links North Port to Bukit Raja, Klang. The Grand Sepadu Highway is partly parallel to the old tolled North Klang Straits Bypass (which became a non-tolled road after the Grand Sepadu Highway became operational) and is linked to the Federal Highway, the new Klang Valley Expressway and the West Coast Expressway, which connects Banting in Selangor to Taiping in Perak.

Subsequently in 2015, EPF acquired a 50% equity interest in Pinggiran Muhibbah Sdn. Bhd., a company which holds a 75% equity interest in Grand Sepadu. As a result, Taliworks and EPF now effectively own 37.5% equity interest each in Grand Sepadu, with 45% economic interest each in the Grand Sepadu Highway. This officially marked the second partnership between Taliworks and EPF.

Engineering and Construction

Taliworks' engineering and construction activities are undertaken by its wholly-owned subsidiary, Taliworks Construction Sdn. Bhd. ("Taliworks Construction"). Taliworks secured its first construction project in 2002, i.e., the RM120 million Projek Bekalan Air Kedah Tengah, which was implemented according to the design and build mode of delivery. The State Government of Kedah awarded another design and build water supply project to Taliworks known as the Padang Terap Water Supply Project worth a contract sum of RM149 million in 2006.

In 2011, Taliworks made a foray into earth fill dam construction and completed the Mengkuang Dam Expansion Project in 2017 where the final contract sum was RM273 million. The scope of works comprised site clearance, earthworks, construction of reinforced concrete structures and pipe laying works. In December 2021, Taliworks Construction achieved a noteworthy milestone by successfully procuring two (2) design and build packages with a total contract value of RM896 million under the overall 'Proposed Development of Sungai Rasau Water Treatment Plant and Water Supply Scheme (Phase 1), Selangor Darul Ehsan' project.

Taliworks Construction, a ISO9001 certified construction company, is registered with the Construction Industry Development Board of Malaysia ("CIDB") and accorded with the highest grade, Grade G7 license. Taliworks Construction also holds the Sijil Perolehan Kerja Kerajaan ("SPKK") license awarded by CIDB.

Waste Management

Taliworks' involvement in the waste management business started in May 2016 when it acquired a 35% equity interest in SWMEH group. SWMEH group is a waste management and public cleansing service provider in the southern region of Peninsular Malaysia, namely Johor, Negeri Sembilan and Melaka, established in line with the National Privatisation of Solid Waste Management. SWMEH's wholly owned subsidiary, SWM Environment Sdn. Bhd. ("SWME") is the concession owner for the provision of solid waste collection and public management cleansing services, with the concession ending on 1 September 2033.

Its business covers a total geographical region of approximately 28,500 sq. km and serves a population of over 5 million. It services 26 local authorities in the southern states of the Peninsular Malaysia of Negeri Sembilan (7), Melaka (4) and Johor (15) with over 9,066 staff and 250 sub-contractors who collectively manage approximately 5,200 tonnes of waste per day.

As a waste management and public cleansing service provider, SWME provides collection and cleansing services for residential and commercial entities within the municipal jurisdictions. The collection and transportation of domestic waste, garden waste, bulky waste, and recyclables form the crux of the company's business. Currently, the company manages a fleet of about 1,000 collection vehicles and a workforce of over 2,200 dedicated employees to provide scheduled and timely collection services. SWME averages a collection of 156,000 tonnes of waste a month with an approximate total of 1.87 million tonnes of waste collected for the year 2024. As part of the mandatory Separation at Source ("SAS") for recyclable items, SWME introduced a Mobile Application called "KITARecycle" in 2018 to encourage the public to recycle through a reward programme (i.e. accumulated recycling points ("RP") can be redeemed for cash). The programme has attracted 113,000 participants thus far with a total of 4,313 tonnes of recyclables segregated and diverted from the landfills since its inception in 2018. The public cleansing services, which include grass cutting, drain cleaning, street sweeping, wet/dry market cleaning and beach cleansing, form an important part of the company's scope of work and plays a critical role for the benefit of the public. A fleet of over 600 cleansing vehicles, machines, and a workforce of over 6,400 employees are deployed for the cleansing services.

In 2015, EPF acquired a 35% equity interest in SWMEH. The acquisition by Taliworks into SWMEH marks the third partnership between Taliworks and EPF.

Renewable Energy

In June 2022, Taliworks completed its maiden foray into the renewable energy sector with the acquisition of four (4) brownfield solar asset companies together with its operations and maintenance company in the vicinity of KLIA with an aggregate capacity of 19 MWp:

1. TR Sepang Sdn. Bhd. ("TR Sepang") operates a 5.0 MWp ground-mounted solar photovoltaic project, built on a palm oil plantation area accessible via Jalan Pekeliling, Sepang;
2. TR SaTerm Sdn. Bhd. ("TR SaTerm") operates a 4.0 MWp rooftop-mounted solar project above the satellite terminal of KLIA;
3. TR CPark Sdn. Bhd. ("TR CPark") operates two separate 5.0 MWp rooftop-mounted solar projects within two long-term car parks at KLIA; and
4. Taliworks Renewables Operations Sdn. Bhd. provides end-to-end operations and maintenance services to the above solar assets.

TR Sepang, TR SaTerm, and TR CPark operate under the Feed-in Tariff ("FIT") programme, which is administered by the Sustainable Energy Development Authority ("SEDA"), a statutory body formed under the Sustainable Energy Development Authority Act 2011. The FIT programme aimed to promote development of renewable energy by guaranteeing grid access and favourable tariff rates. These solar assets achieved Commercial Operations Date in 2013.

The acquisition provided Taliworks with three (3) diversified premium solar asset companies in Malaysia generating stable operating cashflow. The addition of a strong and capable management team now bolsters Taliworks's capability in the renewables space. With the completion of the acquisition of the four (4) solar projects in the second quarter of 2022, the Group consolidated the financial results from the renewables division from the date of acquisition. Taliworks started recognising revenue under the newly created renewables segment from second quarter of 2022 from sales of electricity generated from its solar photovoltaic plants.

The management team is focused on driving performance improvements and risk mitigation initiatives. In 2022, TR SaTerm completed its solar panel replacement, which has already contributed to improved financial performance. The replacements at TR Sepang and TR CPark, completed in 2024, are expected to further enhance the financial performance of the renewables division starting in FY2025.

Looking ahead, Taliworks remains committed to adopting and refining industry-leading O&M practices to maximise yield, optimise operational efficiency, and ensure long-term sustainability. With a culture of continuous improvement, Taliworks aims to strengthen operational performance while meeting evolving industry standards and stakeholder expectations.

CORPORATE MILESTONES

2000

- LGB Group undertook a reverse takeover exercise by injecting 100% equity interest in Sungai Harmoni Sdn. Bhd. ("Sungai Harmoni") and Taliworks (Langkawi) Sdn. Bhd. ("Taliworks Langkawi") respectively, and a 45% equity interest in C.G.E Utilities (M) Sdn Bhd (which had since ceased operations) into Carpets International Malaysia Berhad ("Carpets"), which was then listed on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE") (now known as Bursa Securities Malaysia Berhad) (July).
- Carpets was transferred to the Main Board of KLSE (which has since been merged with the Second Board into a single board known as the Main Market) (October).
- Carpets was renamed Taliworks Corporation Berhad ("Taliworks") (November).

2002

- Taliworks was named Forbes 100 best Smaller-Sized Enterprises in the Asia Pacific.
- Taliworks secured its maiden construction project i.e. the design, construction and supervision for water supply works to the Northern Area of the Central Kedah Water Supply Scheme for RM120 million (January).

2003

- Taliworks was named Forbes 100 Best Smaller-Sized Enterprises in the Asia Pacific and KPMG/The Edge Shareholders Value Awards (ranked no. 21 out of top 100 companies and ranked 2nd within the Infrastructure Grouping).
- Taliworks completed a bonus issue exercise with the issuance of 58,700,000 new ordinary shares of RM1.00 each on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held in Taliworks (December).

2004

- Taliworks diversified its business interests to include waste management in the People's Republic of China.
- Taliworks was ranked no. 85 out of the top 100 companies for the KPMG/The Edge Shareholders Value Awards.

2005

- Tianjin-SWM (M) Environment Ltd. Co., a 90% owned subsidiary of Taliworks commenced operations in the Tianjin Panlou Municipal Solid Waste Transfer Station, People's Republic of China (January).
- Taliworks was ranked no. 78 for The Edge Top 100 Best Companies in terms of return (3 years).
- Taliworks was ranked no. 40 out of the top 100 companies for the KPMG/The Edge Shareholders Value Awards.
- Taliworks issued 70,440,000 warrants 2005/2010 pursuant to a rights issue of warrants on the basis of 1 warrant for every 5 ordinary shares of RM0.50 each held after the split of every 1 ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each (September).
- Taliworks adopted a general dividend policy of distributing not less than 50% of its net earnings as gross dividends for the next three years commencing from the financial year 2006 (November).

2006

- Taliworks was ranked no. 124 out of 200 public listed companies based on market capitalisation as at 31 December 2005 under the Corporate Governance Survey Report 2006 published jointly by the Minority Shareholder Watchdog Group and The University of Nottingham – Malaysia Campus.
- Taliworks was ranked amongst the top 212 main board companies selected based on market capitalisation as at 31 December 2005 under the Dividend Survey 2006 published jointly by the Minority Shareholder Watchdog Group and Universiti Teknologi MARA.
- Taliworks issued 17,000,000 new placement shares of RM0.50 each at RM1.35 per share pursuant to a private placement of shares (May).
- Air Kedah Sdn. Bhd., a 60% owned subsidiary, received the Letter of Acceptance to implement the Padang Terap Water Supply Scheme from the Kedah State Government for a contract sum of RM149 million (July).

2007

- Taliworks acquired a 56% stake in Puresino (Guanghan) Water Co. Ltd., a wastewater treatment service provider in April, and subsequently commenced commercial operations of the Guanghan San Xin Dui wastewater treatment plant (September).
- Taliworks was ranked no. 87 out of 350 main board companies under the Corporate Governance Survey Report 2007 published jointly by the Minority Shareholder Watchdog Group and The University of Nottingham – Malaysia Campus.
- Taliworks was ranked amongst the top 500 public listed companies selected based on market capitalisation as at 31 December 2006 under the Dividend Survey 2007 published jointly by the Minority Shareholder Watchdog Group and Universiti Teknologi MARA.
- Taliworks diversified its business interests to highway toll operations and maintenance through the acquisition of 55% interest in a then joint venture company, Cerah Sama Sdn. Bhd. ("Cerah Sama") for the Cheras-Kajang Highway, also known as Grand Saga Highway (November).
- Taliworks issued 5-year unsecured convertible bonds 2007/12 with a nominal value of RM225 million ("Convertible Bonds") (December).

2008

- Taliworks was ranked no. 45 out of 960 public listed companies under the Corporate Governance Survey Report 2008 published jointly by the Minority Shareholder Watchdog Group and The University of Nottingham – Malaysia Campus.

2009

- Taliworks was ranked amongst the top 100 public listed companies under the Malaysian Corporate Governance Report 2009 published by the Minority Shareholder Watchdog Group.
- Due to changes in market conditions, Taliworks re-purchased RM112 million nominal value of the Convertible Bonds (December).

2010

- Taliworks redeemed the balance RM113 million nominal value of the Convertible Bonds and its obligations in respect of the Convertible Bonds were fully extinguished (December).

CORPORATE MILESTONES

2011

- Taliworks was awarded the sub-contract of the Mengkuang Dam Expansion Project for a contract sum of RM339 million (September).
- Taliworks (Yinchuan) Wastewater Treatment Co. Ltd., a wholly-owned subsidiary of Taliworks, completed the takeover of the operation of four municipal wastewater treatment plants with recycled water facilities in Yinchuan (December).

2012

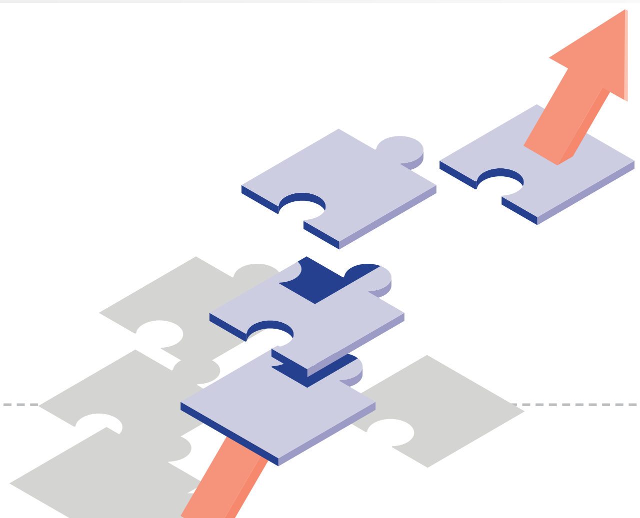
- Taliworks was awarded the Brandlaureate Best Brand Awards 2011-2012 - Best Brands in Industrial - Water Treatment.
- Taliworks' entered into a joint-venture with LGB Engineering Sdn. Bhd. to undertake a contract by the State Government of Selangor for the construction and completion of Raw Water Pumping Main and Inter-connection at Matang Pagar Reservoir for a contract sum of RM20.3 million (March).

2013

- Cerah Sama issued RM420 million Islamic Medium-Term Notes (Sukuk Musharakah) under the Sukuk Programme of up to RM750 million in nominal value (January).
- Taliworks (Langkawi) was granted an authorisation by the National Water Service Commission to undertake and carry out the operations and activities under the Langkawi Water Supply Privatisation Agreement (October).
- Taliworks was listed among the Top 100 Malaysian Public Listed Companies ("PLC") by the Minority Shareholder Watchdog Group as per the ASEAN CG Scorecard methodology on 862 PLC companies.

2014

- Taliworks gained control over Cerah Sama which subsequently became Taliworks' subsidiary as a result of an internal re-organisation exercise. Subsequent to the internal re-organisation, Employees Provident Fund ("EPF") acquired 31.85% effective equity interest in the Grand Saga Highway via TEI Sdn. Bhd. ("TEI"), marking its first partnership with EPF. Taliworks' equity interest in Cerah Sama reduced from 55% to 28.05% (June to August).
- The consortium of LGB-Taliworks JV was awarded the SSP3 Package Pipeline, involving the supplying and laying of 11km of 1,200 mm diameters of steel pipes with a contract value of RM30.6 million (June).
- Taliworks announced a Dividend Policy of declaring a dividend payout ratio of not less than 75% of its consolidated profit after tax (excluding exceptional items) commencing the financial year ending 31 December 2015 (September).
- Grand Sepadu Sdn. Bhd. ("Grand Sepadu") executed a Novation Agreement and a Second Supplemental Concession Agreement to take over the New North Klang Straits Bypass Expressway, also known as Grand Sepadu Highway for cash consideration of RM265 million (December).



2015

- Grand Sepadu issued a RM210 million Sukuk Murabahah.
- TEI acquired the remaining 35% equity interest in Cerah Sama held by SEASAF Highway Sdn. Bhd. Taliworks's equity interest in Cerah Sama increased from 28.05% to 51%.
- LGB Taliworks Consortium Sdn. Bhd., a 20% associate of Taliworks was awarded the SSP7 Project contract by Pengurusan Aset Air Berhad with a contract sum of RM75.9 million (September).
- Taliworks issued 43,980,000 new placement shares of RM0.50 each at RM3.20 per share pursuant to a private placement exercise (October).
- Taliworks issued 241,897,790 Warrants 2015/2018 on the basis of 1 Warrant for every 5 ordinary shares held after the share split comprising the subdivision of every 2 existing ordinary shares of RM0.50 each into 5 ordinary shares of RM0.20 each (November).
- Taliworks completed the 2nd partnership with EPF via the disposal of its 50% equity interest in Pinggiran Muhibbah Sdn. Bhd. (the holding company of Grand Sepadu) to EPF (December).
- Taliworks was included in the MSCI Global Small Cap Indexes for Malaysia.
- Taliworks was ranked no. 91 out of the Top 100 Overall CG Companies – Disclosures with ROE Performance by the Minority Shareholder Watchdog Group.

2016

- In line with Taliworks' new business strategy to focus on mature operational cash-generating utilities/infrastructure businesses to support its dividend policy, Taliworks completed the disposal of its entire waste management operations in the People's Republic of China and acquired 35% equity interest in SWM Environment Holdings Sdn. Bhd. ("SWMEH"), a waste management and public cleansing service provider in the southern region of Peninsular Malaysia. This marked Taliworks' 3rd partnership with EPF, where EPF also held 35% equity interest in SWMEH (May).
- A consortium comprising of Taliworks and Ikatan Gemajaya Sdn. Bhd. was awarded the Ganchong Water Treatment Works from the East Coast Economic Region Development Council with the total contract sum of RM73.1 million (September).
- SWM Environment Sdn. Bhd. ("SWME"), a 100% owned subsidiary of SWMEH, was awarded the Brandlaureate SMEs BESTBRANDS Award 2015-2016 - Signature Brand Services – Integrated Solid Waste Management.
- Taliworks was awarded the IEM 2016 Award for Water Management in Malaysia.
- Taliworks was ranked no. 44 out of the Top Malaysian 100 PLCs with Good Disclosures by the Minority Shareholder Watchdog Group.
- Taliworks was ranked no. 29 out of the Top 100 Malaysian PLCs for Overall Corporate Governance and Performance by the Minority Shareholder Watchdog Group.

2017

- Taliworks was ranked no. 45 out of the Top Malaysian 100 PLCs with Disclosures by the Minority Shareholder Watchdog Group.
- Taliworks was ranked no. 26 out of the Top 100 Malaysian PLCs for Overall Corporate Governance and Performance by the Minority Shareholder Watchdog Group.
- SWME was awarded the Best Employer Branding Awards (3rd Edition) by Employer Branding Institute (India) in Malaysia.
- SWME was awarded Gold Award (Private Sector) for the HR Award – Employer of Choice category by the Malaysian Institution of Human Resource Management.
- SWME was awarded Gold Award (Head of Department) for the HR Leader category by the Malaysian Institution of Human Resource Management.

CORPORATE MILESTONES

2018

- Sungai Harmoni accepted the Letter of Offer from Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor") relating to the settlement of past receivables owing from Syarikat Pengeluar Air Selangor Sdn. Bhd. ("SPLASH") and to enter into a new operations and maintenance agreement (August).
- Taliworks completed a bonus issue exercise with the issuance of 806,325,239 new ordinary shares on the basis of two (2) new ordinary shares for every three (3) existing ordinary shares in Taliworks (October).
- Taliworks Construction Sdn. Bhd. accepted the Letter of Award for the proposed construction and completion including handing over to the authority of 76ML R.C. reservoir R4 and related ancillary works at Cyberjaya Flagship Zone for a contract sum of RM42.4 million (October).
- The unexercised Warrants 2015/2018 that have lapsed were subsequently delisted (November).
- SWME was awarded two silver medals by Perbadanan Teknologi Hijau Melaka under the category of Green Corporate Social Responsibility and Green Practices.
- Taliworks was ranked no. 88 out of the Top Malaysian 100 PLCs with Disclosures by the Minority Shareholder Watchdog Group.
- Taliworks was ranked no. 82 out of the Top 100 Malaysian PLCs for Overall Corporate Governance and Performance by the Minority Shareholder Watchdog Group.

2019

- Sungai Harmoni completed its negotiations with Air Selangor resulting in the execution of the following agreements (May):
  i. Termination and Settlement Agreement ("TSA") with Air Selangor and SPLASH in relation to the settlement of outstanding receivables due from SPLASH arising from the operations and maintenance agreement dated 24 January 2000 for Sungai Selangor Phase 1 water treatment plant ("SSP1");
  ii. Bulk Water Supply Agreement ("BWSA") with Air Selangor in relation to the appointment of Sungai Harmoni as the operator for SSP1 and the supply of treated water up till 31 December 2036; and
  iii. Raw Water Abstraction Agreement with Air Selangor in relation to the abstraction of raw water from the relevant raw water source for SSP1.
- Sungai Harmoni received the Individual Licence pursuant to Section 9 of the Water Services Industry Act 2006 from the Suruhanjaya Perkhidmatan Air Negara and commenced operations of SSP1 under the BWSA (September).
- Sungai Harmoni completed the securitisation of receivables owing from SPLASH under the TSA via Starbright Capital Berhad pursuant to an asset-backed securitisation exercise (December).
- SWME was awarded the Perkhidmatan Skim Terbaik 2019 (Muar, Johor) by SWCorp.
- Grand Sepadu was awarded the Silver Rating for operational highway from 31 June 2019 to 30 June 2024 under the Green Highway Index ("MyGHI").

2020

- The expiration of Taliworks Langkawi's privatisation contract with the Government of Kedah Darul Aman for the management, operations and maintenance of the water supply system in Pulau Langkawi. All operations were handed over to Syarikat Air Darul Aman Sdn. Bhd., a corporatised body under the State Government of Kedah (October).
- Taliworks was ranked no. 53 out of the Top 100 Malaysian PLCs for Corporate Governance Disclosure 2020 by the Minority Shareholder Watchdog Group.
- Taliworks entered into two separate Sales and Purchase Agreements to acquire four (4) solar assets with an aggregate capacity of 19-megawatt peak, located within the vicinity of the Kuala Lumpur International Airport (December).

2021

- Taliworks was ranked no. 8 out of the top 10 mid-cap companies (RM1 billion to RM2 billion) of the inaugural Malaysia Board Diversity Study & Index, conducted by the Institute of Corporate Directors Malaysia in collaboration with Wills Towers Watson (April).
- Taliworks received Letters of Award from Pengurusan Air Selangor Sdn. Bhd. for the proposed development of Sg. Rasau water treatment plant and water supply scheme (Phase 1), Selangor Darul Ehsan (a) Package 2 – Design and Build of Proposed Rasau Treated Water Pumping Station, Treated Water Pumping Mains to existing Bukit Lipat Kajang Reservoirs, Distribution and Associated Works at a contract sum of RM602.4 million and (b) Package 3 – Design and Build of Proposed New Bukit Lipat Kajang Booster Station, Reservoirs and Associated Works at a contract sum of RM293.9 million (December).

2022

- Taliworks successfully acquired the majority economic interest in four (4) brownfield solar projects within the vicinity of the Kuala Lumpur International Airport with an aggregate capacity of 19-megawatt peak and 100% equity in TerraForm Global Operating (Malaysia) Sdn. Bhd. (now known as Taliworks Renewables Operations Sdn. Bhd.), an operations and maintenance services provider of the solar projects (April).
- Taliworks completed the acquisition of the remaining minority stake in the four (4) brownfield solar projects (June).
- Taliworks was ranked no. 86 out of the Top 100 Malaysian PLCs for Corporate Governance Disclosure 2021 by the Minority Shareholder Watchdog Group (November).

2023

- Sungai Harmoni exchanged a signed Collaboration Agreement with Universiti Selangor ("UNISEL") to explore opportunities in water supply including management of water treatment plant residuals through UNISEL's Faculty of Engineering and Life Sciences (October).
- SWM Environment Sdn. Bhd. was honoured with the SME100 Award 2023, which recognises exceptional SMEs for their growth, resilience, and commitment to best practices, sustainability, and innovation (December).

2024

- Sungai Harmoni signed a Collaboration Agreement with University Teknologi MARA to jointly drive innovative research in water treatment plant operations and sustainable management of water residuals (August).
- Sungai Harmoni was awarded the Institut Kimia Malaysia ("IKM") Laboratory Excellence Award 2024. This award was designed to recognise and promote the laboratory's commitment to excellence in providing quality and competent testing services in accordance with local legislation, particularly in the fields of health, safety, and the environment.
- Sungai Harmoni was awarded the Zero Violation of Treated Water Produced in 2023 Award by Air Selangor, based on assessments conducted by the Ministry of Health Malaysia and Air Selangor. The award recognises compliance with the established National Drinking Water Quality Standards and the Bulk Water Supply Agreement ("BWSA") Quality Standards.
- SWM Environment was recognised among the Top 30 at the GUCI Awards 2024 (Government-University-Community-Industry), receiving three awards from Majlis Bandaraya Iskandar Puteri ("MBIP"), Universiti Teknologi Malaysia ("UTM"), and the Iskandar Regional Development Authority ("IRDA") for collaborative projects with Universiti Tun Hussein Onn Malaysia ("UTHM"):
  - Gold – JESAWIL: School Heroes Exploration Competition.
  - Silver – Eco-Trap: Tackling River Pollution in Panchor, Muar.
  - Bronze – Ecobricks: Reducing Plastic Waste Through Building Materials.

KEY CORPORATE AND FINANCIAL EVENTS 2024

Announcements/Events

2024 February 27

The appointment of Kevin Chin Soong Jin as the Executive Director of the Company, with the appointment taking effect on 1 March 2024.

2024 June 13

The fully virtual Thirty-Third Annual General Meeting of the Company was successfully concluded with all proposed resolutions duly passed, except for Resolution 3 – the re-election of Lim Chin Sean as a Director, which was withdrawn.

2024 August 02

Acceptance of insurance payments totaling USD2,323,711.65 (or RM10,672,807.61 based on MYR/USD exchange rate of 4.5930 published on Bank Negara Malaysia website as at 31 July 2024) ("Insurance Proceeds"). The Insurance Proceeds are in relation to replacement cost for the solar modules at the respective solar plants and were received in August 2024.

2024 August 08

Sungai Harmoni inked a Collaboration Agreement with Universiti Teknologi MARA to jointly drive innovative research in overall water treatment plant operations and sustainable management of the residuals generated.

Release of Financial Results

2024 February 27

Unaudited interim results for the 4th Quarter ended 31 December 2023.

2024 April 29

Audited financial statements for the financial year ended 31 December 2023.

2024 May 14

Unaudited interim results for the 1st Quarter ended 31 March 2024.

2024 August 26

Unaudited interim results for the 2nd Quarter ended 30 June 2024.

2024 November 25

Unaudited interim results for the 3rd Quarter ended 30 September 2024.

Declaration of Dividend Payment

2024 March 1

Fourth interim single-tier dividend of 1.0 sen per share on 2,015,817,574 shares amounting to RM20.2 million in respect of the financial year ended 31 December 2023, paid on 29 March 2024.

2024 May 14

First interim single-tier dividend of 1.0 sen per share on 2,015,817,574 shares amounting to RM20.2 million in respect of the financial year ended 31 December 2024, paid on 28 June 2024.

2024 August 26

Second interim single-tier dividend of 1.0 sen per share on 2,015,817,574 shares amounting to RM20.2 million in respect of the financial year ended 31 December 2024, paid on 27 September 2024.

2024 November 25

Third interim single-tier dividend of 2.0 sen per share on 2,015,817,574 shares amounting to RM40.3 million in respect of the financial year ended 31 December 2024, paid on 23 December 2024.

CORPORATE STRUCTURE

TALIWORKS CORPORATION
LGB Group

SUBSIDIARIES

- 100% Sungai Harmoni Sdn. Bhd.
- 100% Taliworks (Langkawi) Sdn. Bhd.
- 100% Taliworks Technologies Sdn. Bhd.
- 100% Taliworks Construction Sdn. Bhd.
- 100% Taliworks Renewables Sdn. Bhd
  - 100% TR (SG1) Pte. Ltd.
    - 48% TR Sepang Sdn. Bhd. (52% held by Taliworks Renewables Sdn. Bhd)
  - 100% TR (SG2) Pte. Ltd.
    - 48% TR Saterm Sdn. Bhd. (52%)
  - 100% TR (SG3) Pte. Ltd.
    - 48% TR Cpark Sdn. Bhd. (52%)
  - 100% Taliworks Renewable Singapore Pte. Ltd.
    - 100% TRS Uno Pte. Ltd.
    - 100% TRS Dos. Pte. Ltd.
    - 100% TRS Tres. Pte. Ltd.
  - 100% Taliworks Renewables Operations Sdn. Bhd.
- 51% TEI Sdn. Bhd.
  - 100% Trinitywin Sdn. Bhd. (10%)
  - 90% Cerah Sama Sdn. Bhd.
    - 100% Grand Saga Sdn. Bhd.
    - 100% Peak Synergy Sdn. Bhd. #
    - 100% Europlex Consortium Sdn. Bhd. #
    - 100% Trupadu Sdn. Bhd.

JOINT VENTURE

- 50% Pinggiran Muhibbah Sdn. Bhd.
  - 75% Grand Sepadu (NK) Sdn. Bhd.

ASSOCIATES

- 35% SWM Environment Holdings Sdn. Bhd.
- 20% LGB Taliworks Consortium Sdn. Bhd.
- 24% Aqua Flo Sdn. Bhd.

LEGEND

- Investment Holding Company/Others
- Engineering and Construction
- Waste Management
- Highway Toll Concessionaire, Operations and Maintenance Operator
- Water Treatment and Supply
- Renewable Energy

Companies in the process of members' voluntary winding-up and/or striking off

SHARE PERFORMANCE HIGHLIGHTS

TALIWORKS SHARE PRICE PERFORMANCE 2024

52W HIGH	52W LOW	YEAR-END CLOSING PRICE
RM0.89	RM0.74	RM0.78

5-YEAR FINANCIAL HIGHLIGHTS

	2020 RM MIL	2021 RM MIL	2022 RM MIL	2023 RM MIL	2024 RM MIL
PROFITABILITY					
Revenue	317.9	302.6	337.7	374.7	**451.4**
EBITDA[(i)]	128.9	152.2	159.5	145.4	**204.3**
Profit Before Taxation	78.5	114.0	81.9	67.1	**118.3**
Profit for the Financial Year	63.5	102.4	66.4	49.5	**102.5**
KEY AMOUNTS IN THE STATEMENT OF FINANCIAL POSITION					
Total Assets	2,075.0	1,943.1	1,854.3	1,747.9	**1,690.7**
Total Borrowings	388.2	358.5	328.9	304.2	**273.8**
Total Shareholders' Equity	1,207.7	1,157.4	1,047.9	963.9	**962.4**
No of Shares in issue	2,015.8	2,015.8	2,015.8	2,015.8	**2,015.8**
BREAKDOWN OF REVENUE AND PROFIT BEFORE TAXATION					
Revenue					
- water treatment and supply	225.5	169.1	184.9	196.0	**195.3**
- construction	12.7	14.8	33.0	59.8	**72.6**
- toll highway	74.4	113.7	97.6	89.7	**149.6**
- renewable energy	-	-	17.2	24.9	**29.6**
- others	5.3	5.0	5.0	4.3	**4.3**
	317.9	302.6	337.7	374.7	**451.4**
Profit Before Taxation					
- water treatment and supply	74.8	58.6	60.9	58.4	**65.3**
- construction	0.5	(1.0)	0.7	4.6	**2.5**
- toll highway	11.2	51.7	34.1	22.5	**81.3**
- renewable energy	-	-	7.8	9.4	**0.7**
- others	(10.8)	(9.7)	(4.8)	(12.5)	**(14.3)**
	75.7	99.7	98.7	82.4	**135.5**
- share of results of joint venture	4.7	6.0	6.2	5.5	**12.7**
- share of results of associates	(1.9)	8.3	(23.0)	(20.8)	**(29.9)**
	78.5	114.0	81.9	67.1	**118.3**
KEY FINANCIAL RATIO					
Gross dividend per share (sen)	6.60	6.60	6.60	5.95	**4.50**
Net Assets per share (sen)	47.59	44.89	39.06	34.52	**33.19**
Earnings per share (sen)					
- basic	2.95	3.89	2.74	2.08	**3.63**
- fully diluted	2.95	3.89	2.74	2.08	**3.63**
Return on Equity (%)[(ii)]	5.08	8.66	6.02	4.92	**10.65**
Return on Assets Employed (%)[(iii)]	2.87	5.09	3.50	2.75	**5.96**
Dividend payout ratio (%)[(iv)]	209.42	129.98	200.28	242.54	**88.47**
Net Debt to Equity ratio (%)[(v)]	-	-	10.67	12.97	**8.78**

NOTES:

(i) EBITDA is defined as earnings before finance costs, taxation, depreciation and amortisation costs (and excludes share of results of associate and joint venture).

(ii) Return on Equity is calculated by dividing the profit for the financial year with the average of the opening and closing Total Shareholders' Equity.

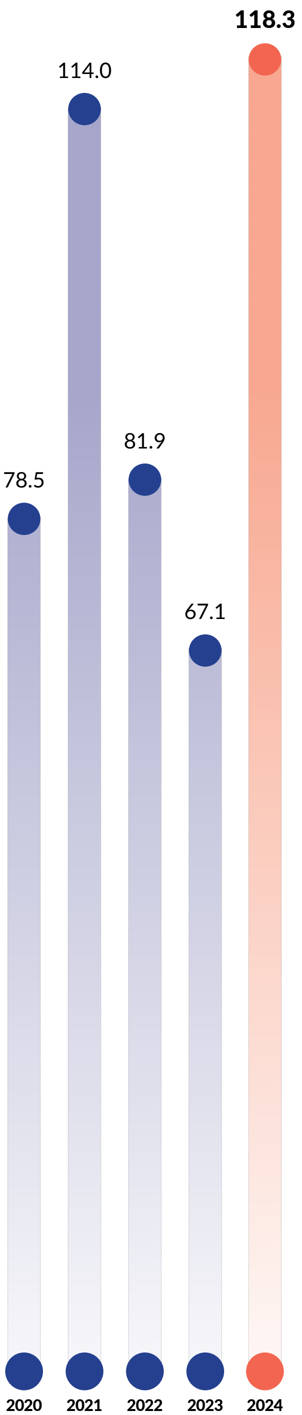
(iii) Return on Assets Employed is calculated by dividing the profit for the financial year with the average of the opening and closing Total Assets Employed.

(iv) Dividend payout ratio is calculated by dividing the total net dividends for the particular financial year with the profit for the financial year.

(v) Net Debt-to-Equity is calculated by dividing the net deposits, cash and bank balances, investments designated at fair value through profit or loss and total borrowings with Total Shareholders' Equity.

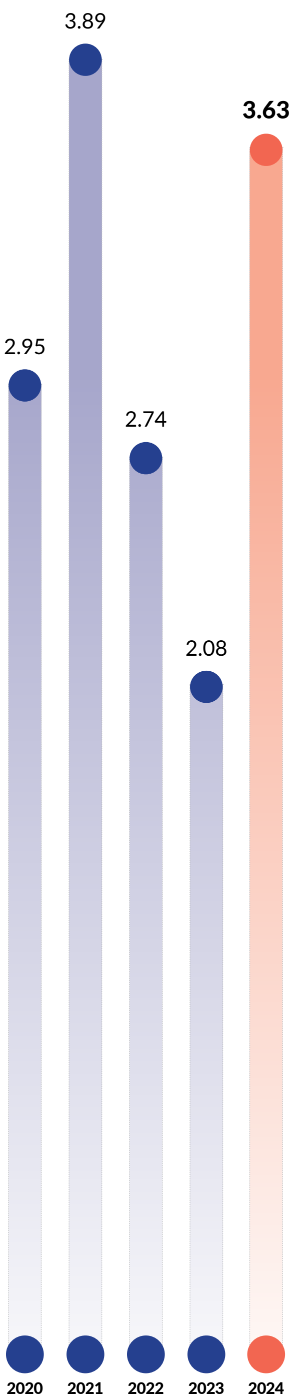
PROFIT BEFORE TAXATION
(RM million)

RM118.3 million



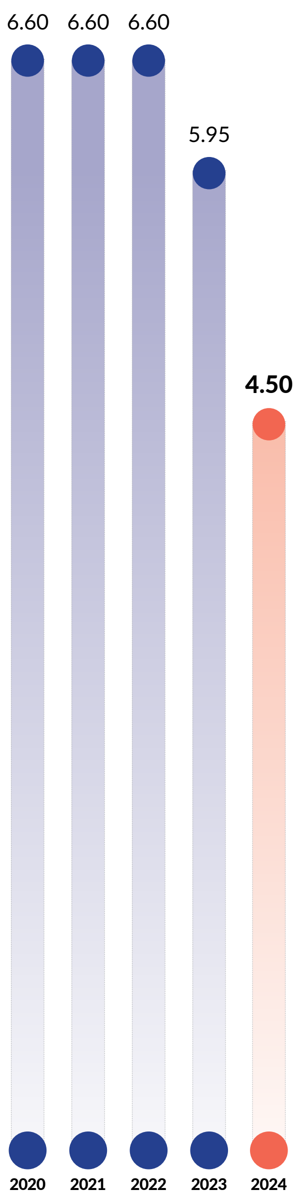
BASIC EARNING PER SHARE
(Sen)

3.63 sen



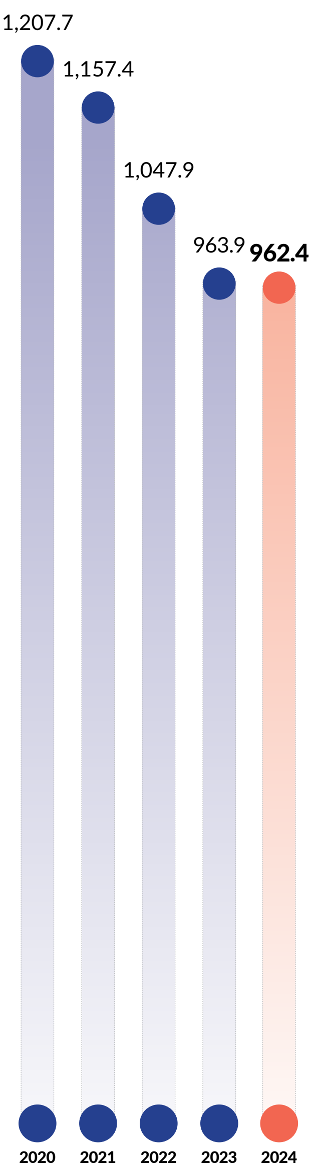
GROSS DIVIDEND PER SHARE
(Sen)

4.50 sen



TOTAL SHAHOLDERS' EQUITY
(RM million)

RM962.4 million



CHAIRMAN'S STATEMENT

REMAIN COMMITTED

> Taliworks's FY2024 performance showcased consistent strength across its core business segments, demonstrating the Group's adaptability to evolving market conditions and commitment to operational excellence.

YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz
Independent and Non-Executive Chairman

Dear Valued Shareholders,

On behalf of the Board of Directors ("the Board"), it is my pleasure to present the Annual Report and Audited Financial Statements of Taliworks Corporation Berhad ("Taliworks") and its subsidiaries ("the Group") for the financial year ended 31 December 2024 ("FY2024").

2024 was marked by a complex economic landscape, shaped primarily by escalating geopolitical tensions. Ongoing conflicts in Eastern Europe and the Middle East, coupled with new policies by major global powers, heightened uncertainty. These developments have disrupted global supply chains, exacerbated energy and commodity price volatility, and fuelled persistent inflationary pressures. As nations grapple with shifting alliances and economic realignments, businesses and policymakers face increasing challenges in navigating financial markets, trade policies and investment strategies.

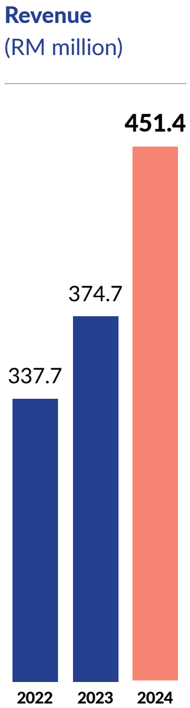
In spite of this, Malaysia's economy expanded by 5.1% in 2024 (up from 3.6% in 2023), driven by strong domestic demand and a recovery in exports, according to Bank Negara Malaysia. Household spending remained a key growth driver, supported by favourable labour market conditions, government policy measures, and stable household balance sheets. Investment activities gained momentum, fuelled by high investment approvals and steady progress in multi-year projects across both private and public sectors. On the external front, exports rebounded, benefiting from steady global growth, an upswing in the tech sector, and increased tourist arrivals and spending.

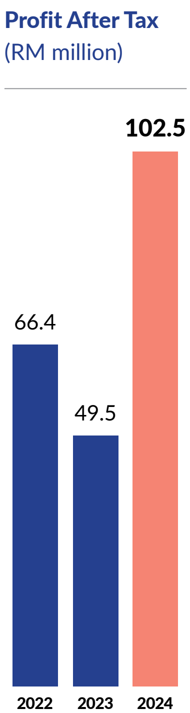
As we move through 2025, Malaysia is navigating a complex regional landscape while maintaining a positive economic outlook. The change in U.S. leadership in early 2025 is already influencing geopolitical dynamics significantly, adding uncertainty to the broader Asian economy. These developments could impact Malaysia's trade and investment environment, requiring strategic policymaking to mitigate risks and capitalise on emerging opportunities.

At the same time, Malaysia's chairmanship of ASEAN in 2025 presents both challenges and opportunities. As the region grapples with market and political divisions, Malaysia has a crucial role in driving deeper regional economic integration, advancing key frameworks such as the ASEAN-China Free Trade Agreement 3.0, and fostering diplomatic efforts to address intra-ASEAN differences. Strong leadership in these areas can enhance Malaysia's standing and contribute to broader regional stability.

Despite these external uncertainties, Malaysia's economic outlook remains positive, with GDP growth projected at 4.5% - 5.5%. This expansion will be supported by key national initiatives aimed at stimulating economic activity, particularly the New Industrial Master Plan 2030 ("NIMP 2030"), designed to elevate the country's industrial landscape. The plan focuses on creating high-quality jobs, developing a skilled workforce, and fostering innovation and sustainability by leveraging Malaysia's natural resources and robust infrastructure. As NIMP 2030 unfolds, it is expected to boost economic opportunities, enhance productivity, and strengthen the country's global competitiveness and resilience.

HIGHLIGHT 2024





Beyond industrial development, sustainable infrastructure remains a critical focus for Malaysia, with the water sector playing a pivotal role in this transformation. To modernise water management and position it as a key economic driver, the Government introduced the Water Sector Transformation 2040 ("AIR 2040"). This long-term roadmap aims to ensure water security, drive economic growth, and enhance sustainability by upgrading infrastructure, integrating advanced water technologies, and improving efficiency in water distribution. A central focus of AIR 2040 is reducing non-revenue water ("NRW")—water lost through leaks, theft, or outdated infrastructure—by investing in system upgrades, alternative water sources, and enhanced management practices.

In line with this, the Government has already begun implementing key measures to address Malaysia's pressing water challenges. One significant step was the water tariff adjustment in February 2024, aimed at generating funds for critical infrastructure improvements such as the construction of new water treatment plants and pipeline repairs to minimise NRW. Additionally, public-private partnerships ("PPPs") are expected to play a crucial role in financing and executing large-scale water projects. With our proven expertise in water infrastructure development and construction, Taliworks is well-positioned to contribute to these transformative efforts, supporting the successful implementation of AIR 2040 and ensuring the long-term sustainability of Malaysia's water sector.

Financial Performance

Taliworks's FY2024 performance showcased consistent strength across its core business segments, demonstrating the company's adaptability to evolving market conditions and commitment to operational excellence. Revenue for the year increased by 20% to RM451.4 million, driven by higher contributions from the toll highway division (largely due to government compensation), progress of Packages 2 and 3 of the Phase 1 of the Sungai Rasau Water Treatment Plant and Water Supply Scheme under the construction division, and completion of solar panel replacements at TR Sepang and TR Cpark within the renewables division.

CHAIRMAN'S STATEMENT

> We remain committed to building on our achievements, fostering innovation, and exploring new opportunities to create greater value for all our stakeholders.

Taliworks recorded a significant increase in profit after tax, rising from RM49.5 million in FY2023 to RM102.5 million in FY2024, supported by increased revenue, higher sundry income, lower financing costs, and a greater share of profits from joint venture Grand Sepadu (NK) Sdn. Bhd., which received RM39.5 million in government compensation.

Going forward, we remain optimistic in our ability to maintain profitability through continued operational efficiency, innovation and adaptability to market dynamics.

For a comprehensive analysis of our performance and outlook, please refer to the Management Discussion and Analysis section of the Annual Report.

Sustainability

In 2024, Taliworks advanced its sustainability agenda with a commitment to environmental stewardship, social responsibility and good corporate governance. These principles are central to our operations, guiding us in creating long-term value while aligning with Malaysia's goal of carbon neutrality by 2050. To stay responsive to evolving global and local priorities, we conducted a comprehensive materiality assessment in 2024, reaffirming our core ESG priorities and strengthening our approach to stakeholder concerns.

To improve operational efficiency, we implemented LED lighting, installed solar panels at some of our key facilities, and introduced innovative water treatment solutions. Our water division explored converting waste sludge into pre-carbonised material for agricultural use. Meanwhile, our renewable division collaborated with partners to sell decommissioned solar panels from its replacement project to communities that could repurpose them, extending their lifespan and usability. These efforts align with Taliworks's goal of reducing its carbon footprint and advancing net zero ambitions.

On the social front, we strengthened workplace safety protocols and employee engagement while continuing to invest in communities. In FY2024, Taliworks allocated over RM700,000 to initiatives benefiting more than 20,000 individuals, including residents of charity homes, students, and highway commuters. Our community efforts span across education, health, and environmental stewardship. Notably, SWM Environment's "Jelajah Sekolah Angkat Wira Lestari" ("JESAWIL") initiative—conducted with Universiti Tun Hussein Onn Malaysia and Bank Simpanan Nasional—addressed low recycling awareness in Johor Bahru primary schools. Over four months, 42 schools collected 68,000 kg of recyclables, produced 1,500 EcoBricks, and reduced approximately 110,000 kg of CO_2 emissions, aligning with United Nation Sustainable Development Goal No. 4 and No. 13.

We also contributed to biodiversity conservation, planting 100 mangrove trees and releasing 1,000 yellow catfish and freshwater prawn seedlings into the Selangor River. These efforts reflect our commitment to embedding sustainability across operations—not just as a compliance measure, but as a catalyst for long-term growth and positive impact.

Across our five business divisions, we integrate sustainability into every aspect of our operations—reducing carbon emissions, enhancing efficiency, and promoting responsible resource use. By leveraging advanced water treatment technology, adopting sustainable construction practices, improving waste management, and expanding renewable energy, we are creating long-term value while ensuring a sustainable future. Building upon today's momentum, Taliworks will continue to be a catalyst for positive change and a trusted partner in sustainable development.

Sustainability is at the heart of our strategy as we continue strengthening our ESG framework and advancing our net zero ambitions in line with Malaysia's National Energy Transition Roadmap ("NETR"). We remain committed to assessing our progress, recalibrating our goals, and driving meaningful change through innovation, collaboration, and dedication.

For detailed results, please refer to our Sustainability Statement in this Annual Report.

Delivering Value to Shareholders

In the face of ongoing economic uncertainties, we remain focused on driving revenue growth, maintaining profitability, and implementing effective cost control measures to deliver consistent shareholder value. By identifying value-accretive opportunities, refining our portfolio, and strategically allocating resources in high-growth areas, we aim to strengthen financial stability and resilience while navigating challenges effectively.

For FY2024, Taliworks has declared a total dividend of 4.5 sen per share, amounting to a total payout of RM90.7 million. Based on the last traded price of RM0.78 per share in 2024, this represents a dividend yield of 5.8%.

Building for the Future

Our growth strategy focuses on investing in and expanding resilient infrastructure and utility businesses that generate stable, recurring cash flows. This approach is fundamental to building financial resilience while delivering long-term value to our shareholders.

A key example of this strategy is our leadership in the water infrastructure sector. With extensive experience, Taliworks is uniquely positioned to spearhead advancements in this space. Our expertise in engineering, construction, and project management enables us to design, build, and operate high-quality water treatment plants, enhance distribution networks, and invest in innovative technologies to improve efficiency and reduce NRW levels. Beyond meeting current demands, our initiatives are geared towards ensuring the long-term sustainability of Malaysia's water resources. Additionally, we actively seek partnerships with the Government through PPP initiatives to develop sustainable financing solutions that support the sector's long-term growth.

In parallel, we are committed to expanding our footprint in the renewable energy sector to support Malaysia's clean energy transition. We are actively engaging with industry players within the supply chain, keeping up to date with government policies and incentives, and exploring potential collaboration opportunities with experienced partners. Through these efforts, we aim to drive investments in renewable energy solutions and explore emerging technologies such as battery energy storage systems ("BESS"). By leveraging our expertise in infrastructure development and forging strategic partnerships, we seek to play a pivotal role in advancing Malaysia's renewable energy agenda while generating long-term, sustainable returns for our stakeholders.

Acknowledgements

On behalf of the Board of Directors, we extend our sincere appreciation to all our stakeholders. The trust of our shareholders, the collaboration from our partners, and the ongoing support of the communities we serve are all integral to our success. Our collective efforts and shared commitment to our values continue to drive our achievements and sustainable growth.

Equally important, we acknowledge and appreciate the exceptional efforts of our dedicated management team and employees. Their hard work, innovation and commitment remain the cornerstone of our success.

Additionally, we would like to express our sincere gratitude to our valued partners, suppliers, regulatory bodies, advisors, and financial institutions. Your unwavering support, constructive feedback and collaborative spirit have been invaluable in propelling our progress forward. We deeply value the strong and mutually beneficial relationships we have built, and we appreciate your continued trust as we adapt to an evolving business landscape and pursue our strategic objectives.

In my personal capacity, I would like to express my heartfelt gratitude to my fellow Board members for their able leadership and steadfast commitment. Their strategic vision, industry expertise, and dedication to upholding the highest standards of corporate governance have been pivotal in guiding Taliworks towards sustained success.

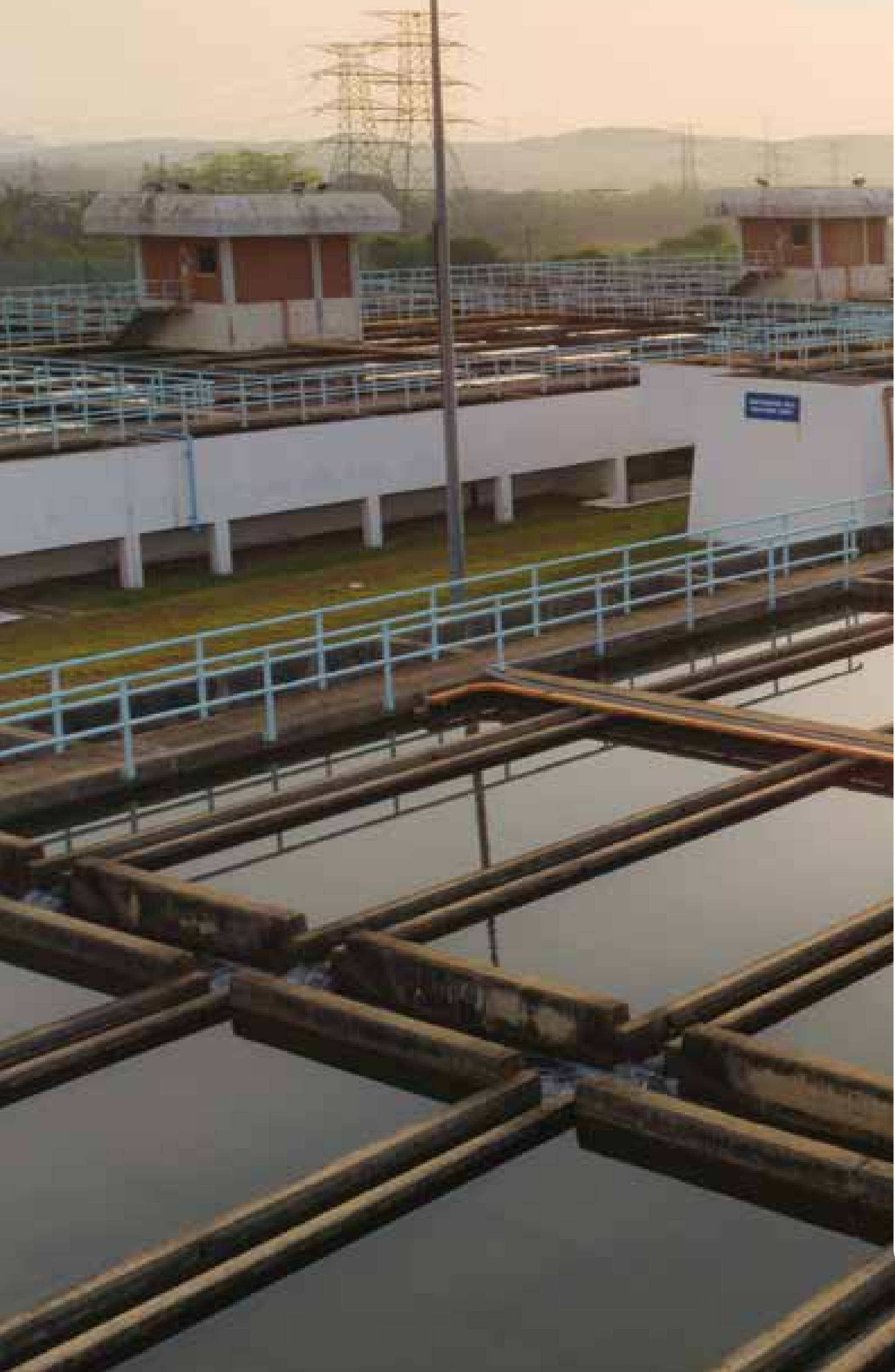
Looking ahead, we remain committed to building on our achievements, fostering innovation, and exploring new opportunities to create greater value for all our stakeholders.

Tunku Ali Redhauddin Ibni Tuanku Muhriz
Independent and Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Financial Performance

The following is a summary of our financial performance for the financial year ended 31 December 2024 as compared to the previous financial year.



Financial Results (RM'000)

Revenue

RM451.4 mil

2023	374,704
2024	**451,398**

Gross Profit

RM174.1 mil

2023	124,513
2024	**174,143**

Operating Profit

RM151.4 mil

2023	99,866
2024	**151,404**

Profit before Tax ("PBT")

RM118.3 mil

2023	67,066
2024	**118,264**

Profit after Tax ("PAT")

RM102.5 mil

2023	49,453
2024	102,534

Total Assets Employed

RM1,690.7 mil

2023	1,747,924
2024	1,690,679

Total Shareholders' Equity

RM962.4 mil

2023	963,862
2024	962,408

Key Financial Ratios

Basic and Diluted EPS (sen)

3.63 sen

2023	2.08
2024	3.63

Return on Assets Employed (%) [(b)]

6.0 %

2023	2.8
2024	6.0

Net Assets Per Share (sen)

33.19 sen

2023	34.52
2024	33.19

Net Debt-to-Equity (%) [(c)]

8.8 %

2023	13.0
2024	8.8

Return on Equity (%) [(a)]

10.7 %

2023	4.9
2024	10.7

(a) The Return on Equity is calculated by dividing the profit for the financial year with the average of the opening and closing balance of Total Shareholders' Equity.
(b) The Return on Assets Employed is calculated by dividing the profit for the financial year with the average of the opening and closing balance of Total Assets Employed.
(c) Net Debt-to-Equity is calculated by dividing the net deposits, cash and bank balances, investments designated at fair value through profit or loss and total borrowings with Total Shareholders' Equity.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Summary of Financial Results

For the financial year ended 31 December 2024, the Group reported a revenue of RM451.40 million, an increase of 20.5% or RM76.70 million compared to the previous year's revenue of RM374.70 million. Except for the water treatment and supply segment, all other business segments recorded higher revenue contribution. The growth in the Group's revenue was primarily driven by the government compensation of RM56.54 million in Grand Saga Sdn. Bhd. ("Grand Saga") mainly in respect of a non-increase in scheduled toll hike in 2020, and work progress achieved in Packages 2 and 3 of Phase 1 of the Sungai Rasau Water Treatment Plant and Water Supply Scheme ("Rasau Projects"). In the renewable energy segment, the completion of the solar panel replacement in all the solar photovoltaic plants has also increase the Group's revenue through higher energy output by 19.4%.

The decrease in revenue in the water treatment and supply segment was primarily attributed to the lower electricity rebates by RM15.26 million in the Sungai Selangor Water Treatment Plant Phase 1 ("SSP1") operations. The lower electricity rebate was due to a decrease in the Imbalance Cost Pass-Through ("ICPT") surcharge imposed by Tenaga Nasional Berhad from RM0.20/kWh to RM0.037/kWh effective from 1 July 2023 and a further reduction to RM0.027/kWh effective from 1 July 2024 until 31 December 2024. The metered sales recorded in SSP1 were lower by 4.8% compared to the previous year. Nonetheless, revenue from metered sales was higher by RM13.07 million due to the increase in the Bulk Water Supply Rate ("BWSR") from RM0.42/m^3 to RM0.48/m^3 on 1 January 2024 ("BWSR Increase") as provided under the Bulk Water Supply Agreement ("BWSA") with Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor"). The higher metered billings mitigated the lower revenue generated from electricity rebates, resulting in a marginal decline in the revenue to RM195.3 million (2023: RM195.98 million).

Consistent with the growth in revenue, the Group achieved a 39.9% rise in gross profit, climbing to RM174.14 million from RM124.51 million achieved in the previous year. This was supported by the BWSR Increase and lower provision of heavy repairs as compared to a year ago. However, the increase was partially tempered by higher upkeep and maintenance expenses and write-off of property, plant and equipment related to the replacement of solar panels in the renewable energy segment. Furthermore, higher depreciation and amortisation charges of also moderated the overall growth in gross profit margin of 38.6% (2023: 33.2%).

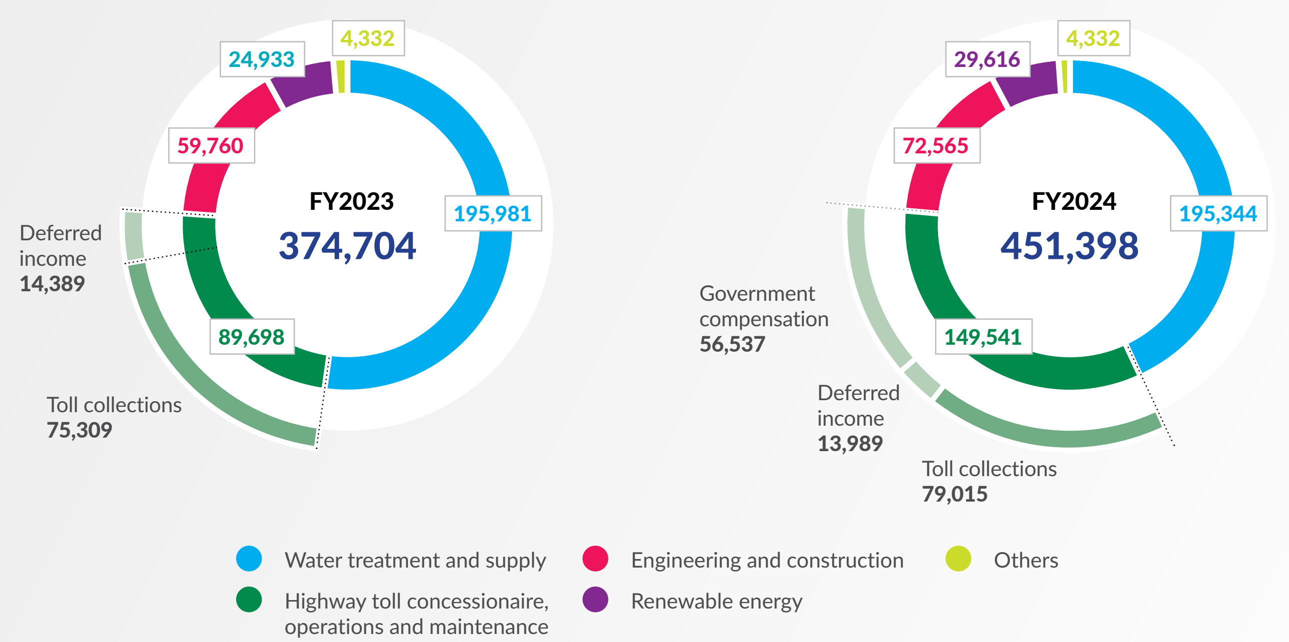
Mirroring the growth in gross profit, the Group's PBT was also higher at RM118.26 million compared to RM67.07 million in the corresponding year. This improvement was driven by several contributing factors, including an increase in sundry income from warranty claims in the renewable energy segment of RM10.67 million (2023: Nil), lower financing costs of RM15.92 million (2023: RM17.49 million) and higher share of profits from a joint venture company, Grand Sepadu (NK) Sdn. Bhd. ("Grand Sepadu") of RM12.71 million (2023: RM5.50 million). The increase in share of profits from Grand Sepadu was primarily driven by government compensation amounting to RM39.51 million, mainly due to the deferred increase of scheduled toll rates. However, the Group recorded higher share of losses from associates of RM29.93 million (2023: RM20.81 million) mainly from SWM Environment Holdings Sdn. Bhd. ("SWMEH"). Other than the above, the Group had recognised a one-off gain from the disposal of an investment property of RM1.81 million and higher net foreign exchange gains and reversal of provision for loss allowances on receivables in the previous year. Corresponding with the higher PBT, profit for the year was higher by RM53.08 million to RM102.53 million (2023: RM49.45 million), while earnings per share increased from 2.08 sen per share to 3.63 sen per share.

Commentary on the Revenue of the Group

The water treatment and supply segment generated a revenue of RM195.34 million, slightly down from RM195.98 million in the previous year. This decline was largely attributed to reduction in the electricity rebates in the SSP1 operations, in line with reduction of ICPT surcharge. However, the lower electricity rebate has no impact on the SSP1 operations as the reduction in the ICPT surcharges led to lower electricity costs. Despite a 4.8% drop in metered sales, revenue from metered billings recorded an increase as compared to the previous year, supported by the BWSR Increase. Metered sales accounted for RM161.61 million (2023: RM148.54 million), while the remaining revenue came from electricity and chemical rebates. The water treatment and supply segment continued to be the largest revenue contributor to the Group, accounted close to 43.3% (2023: 52.3%) of the total revenue.

For the toll highway segment, revenue of Grand Saga surged from RM89.70 million to RM149.54 million, largely due to the recognition of government compensation. As with the previous years, the average number of vehicles passing through the Cheras-Kajang Highway has increased mainly from the continuing development of commercial and residential projects along the highway. In 2024, the Average Daily Traffic ("ADT") rose from 158,223 vehicles per day to 164,230 vehicles per day or by 3.8%.

Revenue of the Group (RM'000)



The opening of the Sungai Besi-Ulu Kelang Elevated Expressway ("SUKE") in September 2022 also contributed to the growth in the overall ADT as it complements the traffic flow into the Cheras-Kajang Highway. The ADT at the Batu 9 toll plaza increased by 2.8% to 89,302 vehicles per day (2023: 86,857 vehicles per day) whereas for the Batu 11 toll plaza, the ADT was significantly higher by 5.0% at 74,928 vehicles per day (2023: 71,366 vehicles per day). As a result of the higher traffic volume, revenue from toll operations was recorded at RM79.02 million (2023: RM75.31 million). The balance of revenue from the toll highway segment was derived from deferred income of RM13.99 million (2023: RM14.39 million) and government compensation of RM56.54 million (2023: Nil). Due to the government compensation, this segment's contribution to the Group's total revenue for the year jumped to 33.1% from 23.9% in the previous year.

For the engineering and construction segment, revenue was higher at RM72.57 million, as compared to the previous year's revenue of RM59.76 million, due to contribution from the ongoing Rasau Projects. The Rasau Projects commenced in December 2021. However, the slower-than-expected progress of the projects was attributed to the delay by the relevant authorities in granting the requisite approvals to commence some of the physical works on sites. In the previous year, Packages 2 and 3 of the Rasau Projects were granted an extension of time ("EOT") to complete by 29 November 2025 and 19 December 2025 respectively. However, based on the current physical progress, it is unlikely that completion will take place by the approved EOT. As such, a new application for EOT was lodged with Air Selangor to further extend the date for completion to November 2026 for Package 2 and until end March 2027 for Package 3 of the Rasau Projects. Pending the EOTs, both the packages are markedly behind schedule from the planned progress. Even though revenue contribution for 2024 was not as projected, the Rasau Projects are expected to contribute positively to the Group's financial performance in 2025 and up to 2027. The successful completion of the Rasau Projects remains as one of our top priorities considering that it is a sizeable project to our Group with a combined contract sum of RM896.11 million before considering any variation of prices adjustments. Overall, the segment accounted for 16.1% (2023: 15.9%) of the Group's total revenue.

As for the renewable energy segment, revenue grew from RM24.93 million to RM29.62 million, driven by a 19.4% rise in total energy output from 21,184 MWh to 25,289 MWh. This growth was attributed to the completion of solar panel replacements at TR Sepang in April and TR CPark 1 and 2 in June 2024. Revenue from sales of electricity contributed 6.6% (2023: 6.7%) of total revenue of the Group.

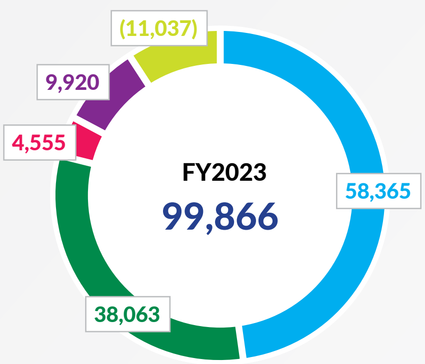
MANAGEMENT DISCUSSION AND ANALYSIS

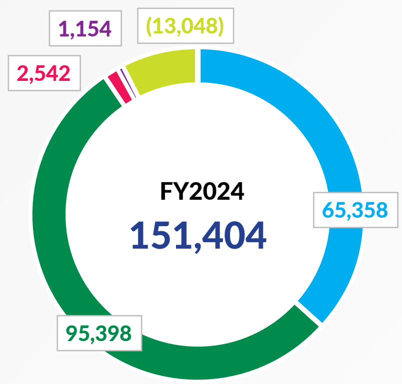
Profit of the Group

Income Statement (RM'000)

	2023	2024
Revenue	374,704	**451,398**
Cost of operations	(250,191)	**(277,255)**
Gross Profit	124,513	**174,143**
Other operating income	11,863	**18,675**
Administrative and other expenses	(36,510)	**(41,414)**
Operating Profit	99,866	**151,404**
Finance cost	(17,491)	**(15,917)**
Share of results of joint venture	5,502	**12,709**
Share of results of associates	(20,811)	**(29,932)**
Profit before tax	67,066	**118,264**

Segmental Information - Operating Profit (RM'000)





- Water treatment and supply
- Highway toll concessionaire, operations and maintenance
- Engineering and construction
- Renewable energy
- Others

Commentary on the Profit of the Group

The Group reported a full year PBT of RM118.26 million, higher than RM67.07 million recorded a year ago. The increase in PBT was mainly attributed to amongst others, higher government compensation, BWSR Increase and higher sundry income in the current financial year. However, the higher PBT was tempered by the write-off in property, plant and equipment of RM15.13 million (2023: Nil) and the higher rehabilitation and maintenance expenses amounting to RM38.20 million (2023: RM29.37 million), primarily due to associated cost on the replacement of solar panels at the TR Sepang and TR Cpark sites, higher share of losses from SWMEH, and higher amortisation of intangible assets in the current financial year amounting to RM37.55 million (2023: RM29.10 million). In the previous year, the Group had recognised a one-off gain from the disposal of investment property, alongside with higher net foreign exchange gains and reversal of provision for loss allowances on receivables recognised.

The Group's share of losses of associates, particularly from its investment in SWMEH was higher at RM32.23 million (2023: RM22.35 million) on account of lower PAT recorded by SWMEH of RM159.73 million as compared to RM182.34 million, along with a group adjustment (mainly due to dividend on the cumulative preferences shares held by parties other than the Group) of RM251.81 million (2023: RM246.21 million) to SWMEH's PAT. The PAT of SWMEH decreased significantly as compared to the year before primarily due to higher provision for loss allowance on receivables, subcontractor costs and finance costs. However, SWMEH recorded higher revenue and other operating income, primarily from the one-off gain of RM13.72 million from disposal of investment, and lower taxes.

The Group's share of results in Grand Sepadu rose by RM7.21 million to RM12.71 million (2023: RM5.50 million), mainly due to higher government toll compensation of RM39.51 million (2023: RM13.83 million). The improved performance was also supported by higher ADT of 1.5%, lower provision for heavy repairs and financing costs during the year. However, the company incurred higher tax expenses, as well as depreciation and amortisation charges in the current financial year. In 2024, the number of vehicles passing through the four (4) toll plazas at the Grand Sepadu Highway stood at 32.88 million, surpassing 32.30 million vehicles in 2023. This translated to an ADT of 89,848 vehicles per day (2023: 88,505 vehicles per day).

In terms of segmental performance, the operating profit of the water treatment and supply segment was higher at RM65.36 million as compared to RM58.37 million a year ago, in line with higher metered billings. Nonetheless, the profitability was impacted by higher rehabilitation and maintenance expenses of RM24.87 million (2023: RM21.63 million) and a lower net return from interest income, dividend and net gain on redemption from investments designated at Fair Value through Profit or Loss ("FVTPL") of RM1.10 million (2023: RM1.41 million). In the previous financial year, the segment recorded a one-off gain of RM1.81 million from the disposal of an investment property and higher reversal of provision for loss allowances on receivables.

Largely driven by the government compensation, the operating profit of Grand Saga surged to RM95.40 million, as compared to RM38.06 million in the prior year. This improvement was also supported by the absence of provision made for heavy repairs (2023: RM4.93 million), lower repair and maintenance expenses, which stood at RM4.44 million (2023: RM5.58 million) and lower financing costs of RM14.14 million (2023: RM15.58 million). However, the higher operating profit was partially tempered by higher amortisation charges for intangible assets, totalling RM37.51 million (2023: RM29.10 million) during the year.

For the construction segment, despite the higher revenue, operating profit came in lower at RM2.54 million as compared to RM4.56 million a year ago. This was primarily attributable to the upward revision in the contract sum and margin arising from the final account issuance for the completed Langat 2 – Package 7 Balancing Reservoir Project in the previous year. There were no revenue or profits recognised from this project in the current financial year.

In the renewable energy segment, although the revenue increased by 18.8%, the segment's operating profit declined substantially to RM1.15 million from RM9.92 million recorded in 2023. This reduction was primarily due to write-off of property, plant and equipment and contractor costs associated with the solar panel replacement exercise, both totalling RM19.02 million; and a net foreign exchange loss of RM1.03 million as compared to a net foreign exchange gain of RM0.41 million recorded in the corresponding year. The lower profits were however, cushioned by RM10.67 million of warranty claim recognised during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

Statement of Financial Position

	As at 31 December 2023 RM'000	As at 31 December 2024 RM'000
Non-current assets	1,490,074	**1,414,399**
Current assets	257,850	**276,280**
Total Assets	**1,747,924**	**1,690,679**
Non-current liabilities	631,208	**546,828**
Current liabilities	152,854	**181,443**
Total liabilities	**784,062**	**728,271**
Total shareholders' equity	963,862	**962,408**
Net assets per share (sen)	**34.52**	**33.19**

The Group's total assets were slightly lower at RM1,690.68 million (2023: RM1,747.92 million) primarily attributable to reductions in the carrying amount of property, plant and equipment, and rights-of-use assets by RM17.69 million, as well as intangible assets by RM37.55 million due to depreciation and amortisation charges. Additionally, investments in associates decreased by RM32.33 million mainly due to share of losses of SWMEH, while and trade and other receivables fell by RM11.62 million, reflecting lower billings in the current financial year. Conversely, the following asset classes recorded an increase in the carrying amounts, i.e. inventories by RM27.76 million predominantly from materials purchased and delivered on site for the Rasau Projects but yet to be installed or consumed, investments designated at FVTPL, and cash and bank balances by RM10.13 million. The increase in the cash holding of the Group was mainly due to the receipt of government compensation. During the year, the Group utilised its net cash from operating activities and current reserves to make dividend payments to shareholders, repayments of the Islamic Medium-Term Notes ("IMTN") under an IMTN (Sukuk) Programme issued by a subsidiary, Cerah Sama Sdn. Bhd. ("Cerah Sama") and interest payments. Out of the total assets of the Group, intangible assets and goodwill amounted to RM1,054.39 million (2023: RM1,091.94 million), investments in joint ventures and associates was RM150.46 million (2023: RM179.08 million), while cash and bank balances and investments designated at FVTPL totalled RM189.37 million (2023: RM179.25 million). These asset classes accounted for 82.5% (2023: 83.0%) of the total assets of the Group. The intangible assets comprise mainly of a concession awarded to Grand Saga for the upgrade and maintenance of the Grand Saga Highway, whereas goodwill is primarily related to the restructuring exercise undertaken previously by Cerah Sama.

Total liabilities decreased by 7.1% or RM55.79 million, primarily due to the reduction in borrowings from the redemption of the fifth tranche of the IMTN of RM30.00 million, repayment of revolving credit of RM5.00 million, lower deferred tax liabilities of RM27.99 million, and lower deferred income of RM13.43 million. Nonetheless, the overall decline in total liabilities was moderated by increases in amount due to contract customers by RM13.20 million, driven by higher inventory purchased and a RM6.02 million in tax provisions.

Total shareholders' equity was marginally lower by RM1.45 million to RM962.41 million (2023: RM963.86 million) and consequently, the net assets per share declined to 33.19 sen compared to 34.52 sen as of 31 December 2023 based on the issued and paid-up share capital of 2,015.82 million ordinary shares.

Key Audit Matters by Our Auditors

As in the previous years, our auditors have highlighted the impairment assessment of goodwill related to Cerah Sama, the parent company of Grand Saga, as a key audit matter in the Independent Auditors' Report. Key audit matters are issues, in the professional judgement of the auditors, which are of most significance in their audit of the financial statements of the Group and Company for the current financial year. The assets of Cerah Sama are significant to our Group and the key bases and assumptions used in the estimation of recoverable amount involved a significant degree of management judgement. As of 31 December 2024, the carrying amount of goodwill remain unchanged at RM132.50 million, of which RM129.39 million (2023: RM129.39 million) was related to Cerah Sama. The auditors have indicated how the matter was addressed in their report by setting out the audit procedures. The audit report on the financial statements of our Group and Company for the current financial year does not contain a modified opinion or material uncertainty related to going concern.

Review of Business Segments

The following is a review of the operating and financial performance of each of our operating business segments.

WATER TREATMENT AND SUPPLY

Sungai Harmoni Sdn. Bhd. ("Sungai Harmoni")

In 2024, SSP1 recorded a 5.1% reduction in the average daily production compared to the previous year i.e. from 968.92 MLD to 919.90 MLD. This was attributed primarily to Air Selangor's lower water demand from SSP1 and the Sungai Selangor Water Treatment Plant Phase 3 ("SSP3"), which is operated by Gamuda Water Sdn. Bhd. ("Gamuda Water"). This is due to rationalisation of the distribution system by Air Selangor where water distribution to some areas of Kuala Lumpur and Selangor, previously served by SSP1 and SSP3, has now been partially supplied by the Langat 2 Water Treatment Plant ("Langat 2 WTP") under Air Selangor's inter-connection supply planning. Air Selangor currently holds the exclusive concession for the abstraction, treatment and distribution of potable water to consumers in Selangor, the Federal Territories of Kuala Lumpur, and Putrajaya.

Despite the lower production for the year, the financial performance of Sungai Harmoni saw a significant improvement, with PBT of RM62.29 million, a 16.4% increase from RM53.52 million in the previous year, primarily from the sale of treated water. Despite a 4.8% decline in metered sales, earnings from metered sales were higher due to an increase in the BWSR. In 2019, Air Selangor and Sungai Harmoni executed the BWSA, authorising Sungai Harmoni to manage, operate, and maintain SSP1 until December 2036. Under the BWSA, the BWSR was revised upwards from RM0.41/m^3 to RM0.42/m^3 on 1 January 2023 and to RM0.48/m^3 commencing 1 January 2024 until 31 December 2027. For the year, SSP1 generated a revenue of RM195.34 million, slightly down from RM195.98 million generated in the previous year. This decline was largely attributed to the reduction in electricity rebates in the SSP1 operations, in line with reduction in the ICPT surcharge by Tenaga Nasional Berhad. However, the lower electricity rebate has no impact on the SSP1 operations as the reduction led to lower electricity costs.

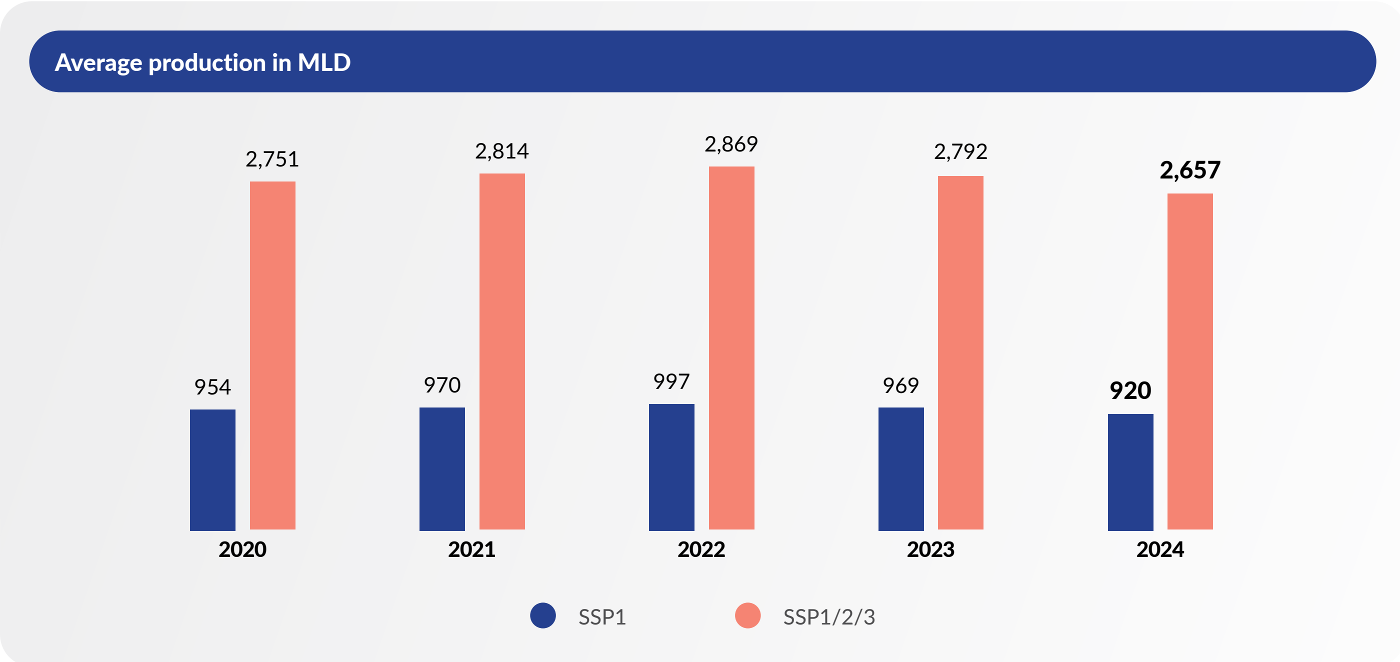
MANAGEMENT DISCUSSION AND ANALYSIS

Water metered sales accounted for RM161.61 million (2023: RM148.54 million) of the total operating revenue for the year and the balance from electricity and chemical rebates. The total operating expenditure for the year amounted to RM123.04 million, a decrease of 8.2% from RM134.10 million incurred in 2023. Electricity costs of RM55.15 million (2023: RM72.70 million) accounted for 45% of this expenditure compared to 54% in the previous year. The reduction in electrical costs was primarily due to the lower ICPT surcharge. Unit electricity cost registered a decrease of 2.7% from implementation of energy-saving measures. These measures included enhancing the efficiency of major equipment through the refurbishment of large pumps and motors, as well as implementing a controlled pumping regime for both raw and treated water pumps. Additionally, the switch from conventional lighting to LED lighting, the transition from centralised chiller air-conditioning systems to energy-efficient split air conditioners, and the active promotion of energy conservation by the on-site electrical team contributed to the overall reduction in unit electricity costs at SSP1. To further support these efforts, a dedicated Registered Energy Efficiency Manager was appointed to oversee the energy management programme at both the SSP1 intake and treatment plants. On the other hand, the unit chemical costs increased slightly by 4.1% during the year. The rise in costs was mainly due to several pollution incidents at Sungai Selangor such as odour and high ammonia levels. The intense rainfall also caused unusual spikes in raw water turbidity, leading to higher chemical consumption. As the quality of raw water deteriorated, it became necessary to increase the utilisation of chemicals to ensure that the treated water met Ministry of Health's quality standards.

To date, the continuous programme by Air Selangor to reduce the overall Non-Revenue Water ("NRW") and physical losses in the distribution system has significantly impacted the overall demand from the Sungai Selangor water treatment plants ("WTPs") along Sungai Selangor namely SSP1, Sungai Selangor Water Treatment Works Phase 2 ("SSP2") operated by Air Selangor and SSP3. The total metered output from SSP1 in 2024 was 336.73 million m³, compared to 353.67 million m³ in 2023, reflecting a 4.8% decrease in overall metered output from the previous year. To achieve the NRW target of 23% by 2025, Air Selangor has implemented system input value controls at all WTP outlets and pressure management in the distribution system, leading to reduced demand for treated water from existing WTPs and fluctuations in daily demand. The stabilisation and continuous real-time monitoring of metered output from SSP1 have been instrumental in mitigating unexpected variances in metered sales. With significant infrastructure projects such as the East Coast Rail Link, new townships, and the Eco-Industrial Park being developed in the Puncak Alam and Kuala Selangor district, Air Selangor is advancing the construction of a new pumping system for the Bukit Mayong Reservoir at SSP1 with a capacity of 150 MLD to accommodate future demand. This project is slated for completion by the fourth quarter of 2025 and is designed to effectively address the increased demand for treated water in the northern regions, as well as specific zones in Klang and Kuala Selangor. Upon completion, SSP1 would be able to supply additional capacity to the Bukit Mayong Reservoir, meeting the increasing demand for treated water.

From 2018 to 2023, SSP1 has consistently operated beyond its design capacity of 950 MLD. Despite this, SSP1 has successfully minimised instances of unintended breakdowns through a comprehensive preventive maintenance schedule. This schedule is not only submitted to and monitored by Air Selangor but is also subjected to audit by Suruhanjaya Perkhidmatan Air Negara ("SPAN"). SSP1 has consistently produced water quality that exceeded the Key Performance Indicators ("KPI") set out in the Business Plan submitted to both Air Selangor and SPAN. In compliance with the regulatory requirements imposed by SPAN for the application of the Individual License under the Water Services Industry Act 2006, we are mandated to submit a five-year rolling Business Plan which includes details of a comprehensive maintenance and rehabilitation programme and KPI targets. The company holds an Individual License from SPAN to operate SSP1 from 13 September 2022 until 31 December 2026. Other than the Water Services Industry Act 2006 and its subsidiary legislations, the SSP1 operations are required to comply with regulations imposed by, amongst others, Ministry of Health, Department of Safety and Health and Department of Environment. During the year, we incurred RM24.74 million (2023: RM21.48 million) in maintenance, upkeep and rehabilitation expenditure.

Other than SSP1, other major WTPs operating along Sungai Selangor include SSP2 and SSP3. During the year, the total production from SSP1, SSP2 and SSP3 was 2,657 MLD, a decrease of 4.8% year-on-year and this was partly attributable to lower demand from Air Selangor. In 2023, the combined water supply demand from these three WTPs was higher at 2,792 MLD. In 2023, the supply of treated water from the Langat 2 WTP was lower than targeted with an average of 600 MLD. In 2024, the Langat 2 WTP steadily increased its treated water supply with an average of more than 800 MLD with Air Selangor having to re-consolidate the water demand from the SSP WTP Scheme. The following data represents the historical metered output from SSP1 and the aggregated production from SSP1, SSP2, and SSP3, compiled from internal sources over the past five years. This data underscores the consistent and sustained demand for treated water from consumers within the Klang Valley region.



Weather conditions in the Klang Valley have been erratic, with frequent thunderstorms and heavy rainfall occurring outside typical patterns. These wetter-than-usual conditions, likely linked to climate change, have caused random flooding and river overflowing in low-lying areas. Consequently, heavy rainfall over catchment areas and reduced regulated discharges of raw water to augment higher river flow at Sungai Selangor have resulted in dam levels at both the Sungai Tinggi Dam and Sungai Selangor Dam reaching over 95% capacity for extended periods of the year. Apart from brief intermittent dry spells, rainfall has been abundant over the catchment areas, keeping the risk of raw water shortages low throughout the year. Given the current weather conditions, raw water abstraction from Sungai Selangor remains unaffected, as the water levels at both regulating dams are at full capacity, providing a necessary buffer during drier seasons. State agencies, including the Unit Perancang Ekonomi Negeri, Air Selangor and Lembaga Urus Air Selangor ("LUAS") have been vigilantly monitoring river flows and dam levels to ensure sufficient supply of raw water for treatment operations, thus preventing unnecessary disruptions in water supply to consumers. Additionally, efforts to increase the yield of raw water sources for the WTPs have been supported by several key projects, namely the Hybrid of River Augmentation Scheme (HORAS) 600, which is situated upstream of SSP3, the Operasi Pengepaman Air Kolam ("OPAK") and the ongoing construction of HORAS 3000 near the vicinity of Universiti Selangor in Bestari Jaya, Selangor.

In response to multiple raw water pollution incidents in 2024, characterised by high turbidity and odour, we collaborated closely with the regulators, SSP2 and SSP3 WTP operators to mitigate plant interruptions due to river contamination. This is particularly crucial for odour pollution from upstream commercial developments and agricultural activities. To provide early alerts for river pollution, we implemented raw water quality surveillance programmes in conjunction with all WTP operators along Sungai Selangor. These programmes include regular intervals of information sharing and continuous monitoring of raw water quality and inflow. Our river surveillance programme involves collecting water samples from various locations within the catchment areas to analyse pollution trends. In October 2023, we commissioned a River Monitoring System ("RMS") at an upstream tributary of Sungai Selangor to monitor specific raw water quality parameters and provide advance notifications of any changes or pollution. This system complements other RMS installations by Air Selangor, Gamuda Water, and LUAS within the Sungai Selangor catchment. The Selangor State Government supports WTP operators by constructing a river diversion upstream of the SSP1, SSP2, and SSP3 intake plants under the Skim Jaminan Air Mentah ("SJAM") or Raw Water Guarantee Scheme Project, which is expected to be completed in the second half of 2025. This scheme allows the responsible agency to divert polluted raw water away from the intake plants, while raw water from HORAS and OPAK is channelled to the intake plants. Additionally, SJAM can partially dilute the raw water using similar sources to reduce the pollution load. Given the raw water quality, our water treatment regime has proven effective, as evidenced by our high compliance rate of over 99% over the past three years. We conduct quality test in treated water every two hours to ensure compliance with water quality parameters set by Ministry of Health and the BWSA, utilising our in-house laboratories that operate around the clock.

MANAGEMENT DISCUSSION AND ANALYSIS

Over the years, we have embarked on numerous research and development initiatives aimed at enhancing our water supply operations through technological advancements. These initiatives encompass studies on the refurbishment of WTP filters using alternative filtration media, optimisation of treatment process efficiencies, and the deployment of alternative treatment chemicals, particularly for mitigating pollutant spikes. Our most current collaboration is with the Microwave Research Institute ("MRI") of Universiti Teknologi MARA. The research programme is focused on how the dielectric properties of WTP residuals at microwave frequencies have successfully met the objective of identifying suitable WTP residuals to be converted into pre-carbonised material with potential applications in agriculture and water treatment processes. Additionally, we are in discussions with MRI to initiate alternative studies, such as optimising coagulant dosing systems through Artificial Intelligence ("AI") technology and employing neural networks to predict short and long-term impacts of several water quality parameters in raw water sources. Furthermore, we are in discussion with University Malaysia Perlis in the Development of an AI-enhanced Electronic Nose ("e-nose") Monitoring System for real-time threshold odour number detection in Sungai Selangor which may be able to benefit us in times of odour pollution.

We take immense pride in our commitment to maintain high standards in the production of treated water. This dedication has been duly recognised by Air Selangor, when we were presented with the Excellent Award as being one of the WTPs that has achieved zero instances of treated water non-compliance. Furthermore, our laboratory's exceptional capabilities have been acknowledged with the award of the Institut Kimia Malaysia Laboratory Excellence Award 2024 for outstanding performance in chemical and microbiological testing. Our pursuit of excellence is further validated by an array of other accreditations. These include the MS ISO 9001:2015 certification for operation and maintenance works and the ISO/IEC 27001:2013 certification for the Information Security Management System. SSP1 Laboratory and minilabs at Matang Pagar and Bukit Mayong Reservoirs are accredited with the ISO 17025:2017. Adding to our notable portfolio, we have secured the ISO 14001:2015 Environmental Management certification for our Treatment Plant, Intake, and Reservoirs in early 2024. Currently, we are in the stage of obtaining the ISO 45001:2018 Occupational Health and Safety Management Systems certification by the end of 2025. This forthcoming accreditation underscores our steadfast commitment to ensure the highest standards of occupational health and safety within our operations. By integrating these internationally recognised standards into our operational framework, we not only enhance our efficiency and reliability but also reinforce our pledge to deliver safe and high-quality treated water to Air Selangor.

SSP1 currently caters to approximately 20% of the consumers in the Federal Territory of Kuala Lumpur and Selangor. As such, we actively monitor and manage a spectrum of potential and emerging operational risks. These risks encompass the degradation of raw water quality, asset management challenges,

security breaches, significant equipment and plant failures, as well as unforeseen operational interruptions, all of which could precipitate substantial disruptions in water treatment and supply. We are also proactively evaluating our environmental, social and governance risks, with particular focus on climate change, which poses a significant threat to the availability of raw water resources. To mitigate these and other risks, we undertake enterprise risk management processes to continuously monitor and assess risks, ensuring timely and appropriate responses. For long-term risks, we integrate remedial actions into our strategic business planning. Operational risks undergo periodic assessments, complemented by audits from regulatory bodies, external entities, and internal audits as part of our ISO certification process. Additionally, Air Selangor oversees our adherence to the stringent requirements of the BWSA. Under the BWSA, we ensure the optimal operation and management of SSP1, guaranteeing the production and delivery of the specified quantity and quality of treated water to consumers. Our risk mitigation strategies encompass the deployment of RMS at SSP1 particularly at our intake plant alongside Sungai Selangor to detect contaminants and siltation. All scheduled rehabilitation and maintenance activities are undertaken to minimise the probability of significant equipment malfunctions and operational disruptions. Our operations are maintained continuously with a three-shift system to ensure seamless functionality.

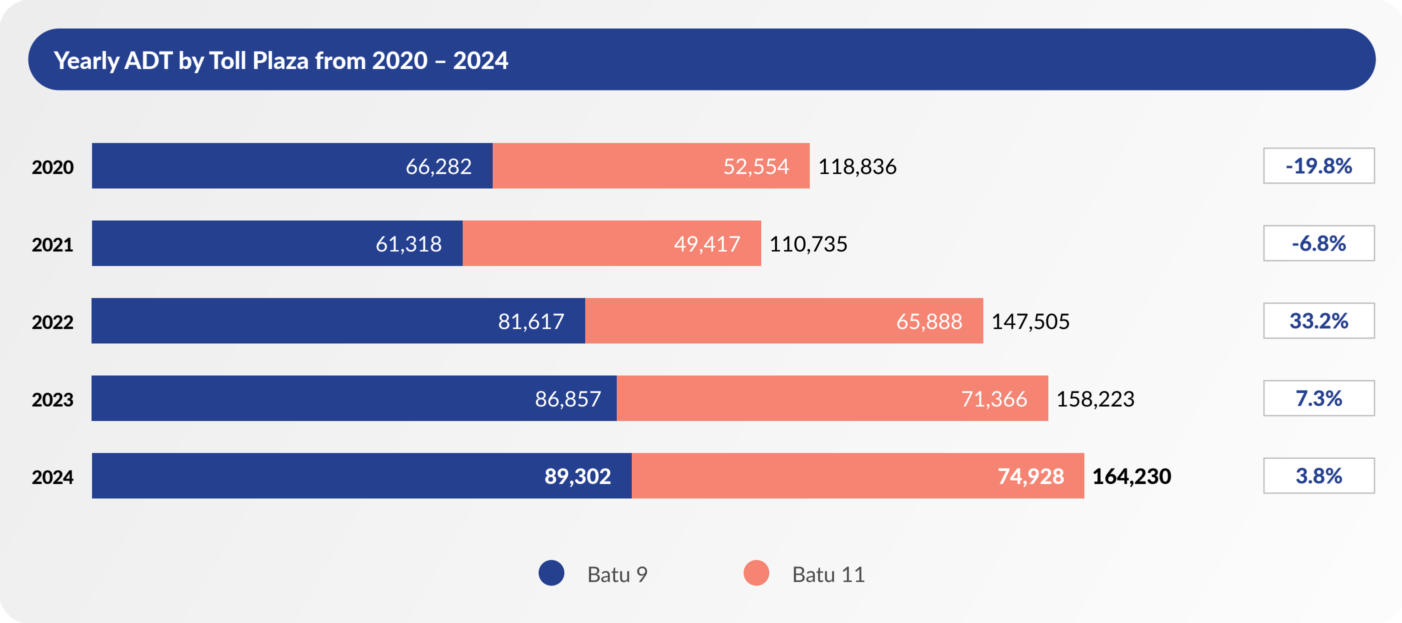
Pursuant to the BWSA, we are obligated to construct a mechanical Residual Treatment Facility ("RTF") at our own cost. The RTF plant, with an estimated construction cost of RM85 million, is slated to be commissioned by June 2026. Currently, the application for planning permit is pending approval by the local authorities. The RTF will facilitate the efficient management, treatment and disposal of dried sludge or residuals, which are by-products of the water treatment process. These residuals are currently treated and deposited in sludge lagoons within the vicinity of SSP1 before being transported to a nearby sludge depository approved by the Department of Environment. The RTF will provide a more sustainable and environmentally responsive solution for long-term residuals management. Meanwhile, for effluent management, LUAS has gazetted the Discharge of Return Water, and Entry or Discharge of Waste and Pollutants (State of Selangor) Licensing Regulations 2024 in June 2024. This new regulation has been enforced since January 2025, and we have submitted the licensing application and is now waiting for approval from LUAS. We are currently refurbishing and improving the back pumping and recycling system at SSP1 to minimise the amount of discharge while waiting for the completion of the RTF. Due to the expected increase in production from the Langat 2 WTP, we expect the production in SSP1 and SSP3 to be impacted in the coming years. Nonetheless, it is expected that production from SSP1 will see a slight recovery once the new Bukit Mayong Pumping Station becomes operational by end of 2025. To mitigate the potential reduction in revenue due to lower production, we will continue to implement energy saving measures and proactive maintenance scheduling to ensure operational efficiency and maintain a sustainable operating cost at SSP1.

HIGHWAY TOLL CONCESSIONAIRE, OPERATIONS AND MAINTENANCE OPERATOR

Grand Saga Sdn. Bhd. ("Grand Saga")

In 2024, the Cheras-Kajang Highway recorded a higher ADT of 3.8% compared to a year ago, mainly from the continuing development of commercial and residential projects along the highway. The opening of the SUKE in September 2022 also contributed to the growth in ADT as it complements the traffic flow into the Cheras-Kajang Highway. For 2024, a total of 60.11 million vehicles, representing an ADT of 164,230 vehicles, passed through the two toll plazas at Batu 9 and Batu 11, as compared to 57.75 million vehicles in 2023, or an ADT of 158,223 vehicles per day. The ADT at the Batu 9 toll plaza increased by 2.8% from 86,857 vehicles per day to 89,302 vehicles per day whereas for the Batu 11 toll plaza, the ADT grew by 5.0% to 74,928 vehicles per day, up from 71,366 vehicles per day in the previous year. The better growth rate recorded at the Batu 11 toll plaza was mainly due to an increase in road users accessing the SUKE during the morning peak periods. As the Cheras-Kajang Highway is a mature intra-urban highway, 96% of traffic that passes through both the toll plazas constitute Class 1 motor vehicles i.e. vehicles with 2 axles and three or four wheels, and this has consistently prevailed over the years.

The following is a 5-year historical data on the ADT for both the Batu 9 and Batu 11 toll plazas and the overall growth at the Cheras-Kajang Highway. As expected, the ADT for 2020 and 2021 saw a severe contraction with the imposition of travel restrictions during the period of the Movement Control Order due to the onset of the COVID-19 pandemic. However, the ADT rebounded sharply thereafter when the impact of the pandemic gradually diminished with all restrictions being removed and economic activities began to thrive once again.



The increased traffic volume at the Batu 11 toll plaza inevitably resulted in a traffic bottleneck after the toll plaza towards Kuala Lumpur during the peak period in the mornings. Thus, in June 2024 we have made further improvements to the existing morning tidal flow lane or popularly known as "contraflow" on the highway by extending the contraflow to begin just after the toll plaza. Our continuing collaboration with Dewan Bandaraya Kuala Lumpur and the Kuala Lumpur Traffic Police to implement the existing contra flow operations for the Kuala Lumpur bound traffic in the mornings and for the Kajang bound traffic in the evenings has effectively alleviated the congestion along the highway.

In terms of our level of service, we are committed to provide regular patrolling and break down service along the highway including free towing assistance and emergency first aid care for commuters in need. We have established the "Saga Ronda Service" with a commitment to attend to all incidents along the highway within ten minutes and to relay information back to the command centre for necessary actions to be taken. We also strive to maintain other quality related services to road users such as the Rest & Service stop at the Bukit Dukong area, which features a petrol station, F&B outlets and a post office for the convenience of our road users. Additionally, we engage with the road users via Facebook: Lebuhraya Grand Saga and 'X' (*formerly known as Twitter):* GrandSagaTrafik, where we share information on traffic updates and other messaging pertinent to road users. For road users who are unable to follow the updates via social media, we installed two Video Message System ("VMS") gantries along the highway at KM13.6 Kajang bound and KM14.0 Kuala Lumpur bound to disseminate traffic information from our control room. As part of our continuing efforts to improve and upgrade our infrastructure, the VMS units were replaced in 2024 for better clarity at the cost of RM0.45 million. In our efforts to combat climate change and support the government's initiative to utilise renewable energy sources, we installed solar panels at the Batu 9 and Batu 11 toll plazas and LED lightings at the motorcycle lane and bridges underpass.

As a responsible toll highway operator, both safety and comfort of the road users are our key priorities. Some of the road safety measures undertaken include ensuring adequate and clear signboards and signages, proper working streetlights, along with inspection of the highway infrastructure for signs of wear and tear. For the year, we spent close to RM3.85 million (2023: RM3.06 million) on repairs and maintenance. This excluded the RM1.67 million (2023: RM2.35 million) incurred on routine pavement rehabilitation works and the one-off urgent major heavy pavement works carried out in 2023. Additionally, to enhance our service and operational excellence, we have maintained the ISO9001:2015 Quality Management System as re-certified by INTERTEK Certification during the year. The scope of the certification covers the provision of Highway Maintenance and Toll Collections. We also achieved four star rating in respect of the Expressway Performance Index as set by Lembaga Lebuhraya Malaysia ("LLM") for the second half of 2024. As part of the call by the Ministry of Works Malaysia and LLM to provide alternate payment method in the form of "open payment system", we have installed the new payment system at three toll lanes, two at Batu 9 toll plaza and one at Batu 11 toll plaza. The open payment system was operational on a test basis from 14 December 2024. It allows highway users to pay the toll fare seamlessly through various digital payment methods such as from their debit or credit cards.

MANAGEMENT DISCUSSION AND ANALYSIS

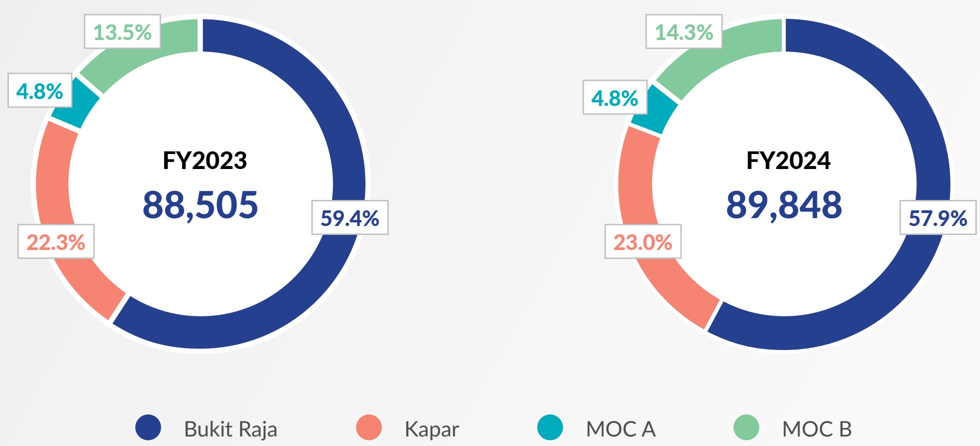
As in the previous years, the continued uncertainty of the Federal Government's proposal to re-structure the toll industry remains a major concern. By 2024, several tolled highways have completed the restructuring of their toll rates. The government has stipulated that, where possible, highway concessionaires should consider a non-increase in the toll rates until end of concession and that no government compensation to be paid in any toll restructuring proposal. We draw comfort from the stand taken by the government's commitment to upholding the sanctity of the concession agreement and the rights of investors and shareholders will be protected. As required by the government, we will be submitting our toll restructuring proposal in 2025.

In terms of financial performance, the toll collections were higher at RM79.02 million as compared to RM75.31 million in 2023, representing an increase of 4.9%. This was attributable to higher ADT and from the eight days of toll discounts given during the festive holidays in 2024, as directed by LLM, compared to ten days in 2023. The total operating revenue was significantly higher at RM149.54 million as compared to RM89.70 million achieved a year ago mainly due to the recognition of government compensation of RM56.54 million (2023: Nil). The government compensation consisted of compensation for non-increase of toll rates and partial recognition of festival toll discounts. Other than toll collections and government compensation, operating revenue also consisted of deferred income totalling RM13.99 million (2023: RM14.39 million). Other income increased from RM2.80 million in the previous year to RM3.32 million primarily attributed to monitoring and maintenance charges from third party developments along the highway. Total operating expenditure (excluding depreciation and amortisation) of RM11.65 million (2023: RM17.62 million) was significantly lower than the prior year mainly due to lower repair and maintenance costs by RM1.56 million and lower provision for future pavement rehabilitation works by RM4.93 million. Prior to 2024, provision for future pavement rehabilitation works was provided annually, based on estimated major heavy repairs expected to be incurred in the future, over a seven-year cycle. However, to maintain the road conditions at highways, LLM requires all highways to conduct a pavement condition assessment ("PCA") exercise on an annual basis. Based on the results of this assessment, highways are required to carry out necessary pavement repairs. As such, a provision for future major pavement rehabilitation works is no longer made on a yearly basis. Instead, pavement repair works costs based on findings of the PCA will be deducted from the current provision and thereafter to be expensed in the income statement when the provision has been exhausted. In 2024, the expenditure on pavement rehabilitation works amounted to RM1.67 million. During the financial year, depreciation and amortisation accounted for RM19.25 million, significantly higher than RM14.99 million in 2023 pursuant to a revision in the future traffic projections. Finance charges from the issuance of the IMTN stood at RM14.14 million as compared to RM15.58 million last year due to further repayment of RM30.00 million IMTN principal sum during the year. In 2013, Cerah Sama, the holding company of Grand Saga, issued RM420.00 nominal value of IMTN. In December 2024, Malaysian Rating Corporation Berhad affirmed a rating of AA-IS with a stable outlook. The rating agency has cited the steady performance of the Grand Saga Highway as a mature highway, undemanding repayment schedule and low operational risks as key strengths, while highlighting its moderately leveraged capital structure as a key risk. The outstanding IMTN stood at RM270.00 million as at end of 2024 with a further principal sum repayment of RM40.00 million made in January 2025. The last repayment is due in January 2030. For the financial year, Cerah Sama performed exceptionally well buoyed by the recognition of government compensation of RM56.54 million. It recorded a higher PBT of RM96.54 million compared to RM34.04 million in 2023. With the higher PBT, the PAT increased to RM72.59 million from RM25.06 million a year ago. Cerah Sama paid a total of RM8.00 million of dividends (2023: Nil) and a further RM22.00 million was paid in January 2025 to the parent company.

Grand Sepadu (NK) Sdn. Bhd. ("Grand Sepadu")

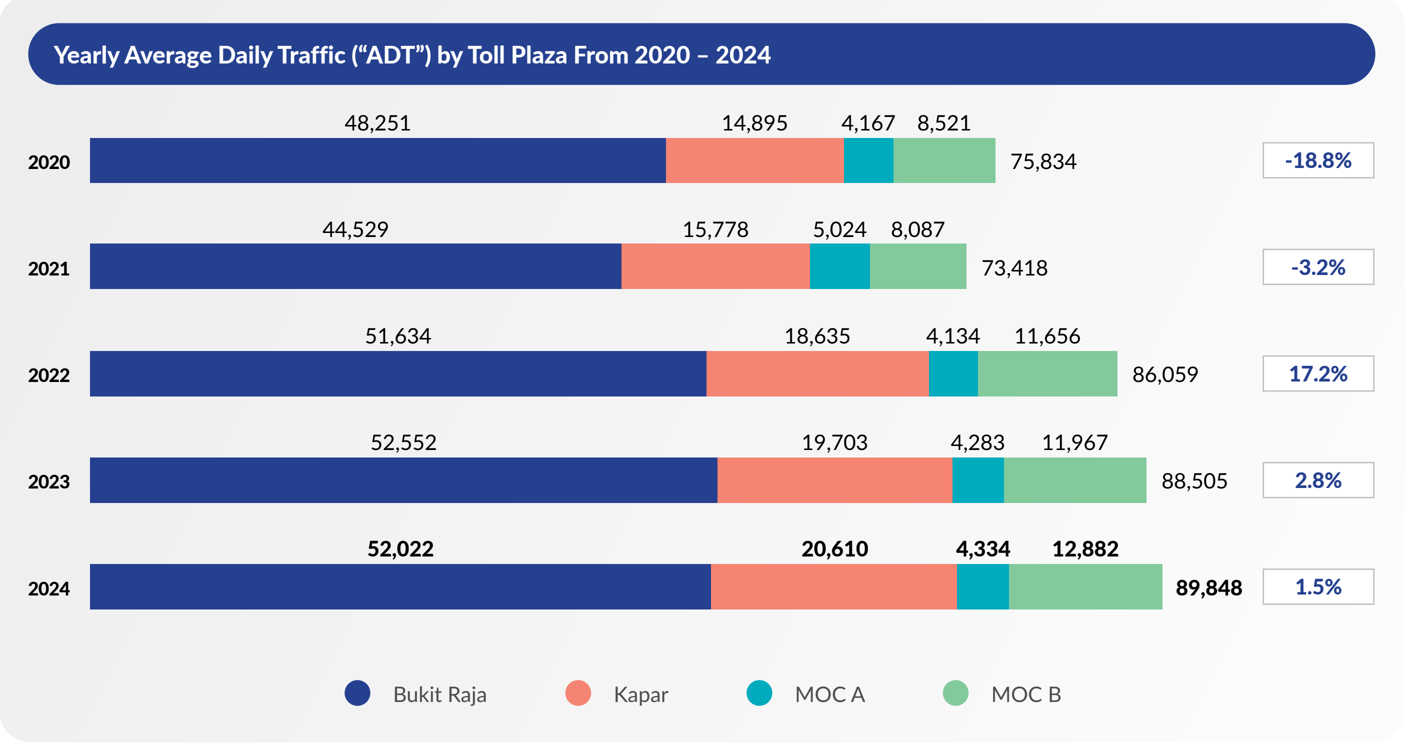
The New North Klang Straits Bypass Expressway, also known as the Grand Sepadu Highway, registered a growth in traffic with the ADT up by 1.5% compared to 2.8% in the preceding year. The overall growth in the ADT was attributed to the increase in commercial activities particularly the port bound traffic with the overall ADT attaining 89,848 vehicles per day (2023: 88,505 vehicles per day) passing through the four toll plazas. During the year, the total traffic throughput at the highway was 32.88 million vehicles (2023: 32.30 million vehicles). All the toll plazas, save for Bukit Raja, recorded an improvement in the ADT with both MOC B and Kapar registering robust growth of 7.6% and 4.6% respectively, whilst MOC A recorded a more modest increase of 1.2%. On the other hand, Bukit Raja recorded a decline of 1.0%. Of the total ADT of 89,848 vehicles per day, the Bukit Raja toll plaza had the highest number of vehicles passing through at 57.9%, followed by the Kapar, MOC B and MOC A toll plazas as evident below:-

Average Daily Traffic ("ADT") by Plaza for Year 2023 and 2024



MANAGEMENT DISCUSSION AND ANALYSIS

In terms of toll collections, the Kapar and Bukit Raja toll plazas generated RM31.71 million (2023: RM29.55 million) and RM12.16 million (2023: RM12.15 million) respectively, collectively accounting for approximately 79.6% (2023: 79.8%) of total collections. Based on the five-year historical data below, 2020 and 2021 expectedly recorded a dip of 18.8% and 3.2% respectively before rebounding by 17.2% in 2022. The current year's ADT of 89,848 vehicles is still well below the pre-pandemic period where the ADT in 2019 was a high of 93,372 vehicles. This was particularly evident at the Bukit Raja toll plaza where the opening of the Persiaran Astana flyover at Meru diverted some of the traffic towards the North Klang Valley Expressway ("NKVE") via Setia Alam.



The Grand Sepadu Highway is linked to several major highways in the Klang Valley, including the Federal Highway Route 2 and NKVE connecting developments in Klang, Bandar Bukit Raja, Bandar Sultan Sulaiman Industrial Zone, Northport and Westport. With the opening of the Hj. Sirat Interchange in June 2018, road users, particularly commercial traffic, gained direct access to the highway and a shorter route to the ports, contributing to the robust ADT growth at the Kapar toll plaza. Class 1 vehicles are still the predominant users of the highway, having accounted for 80.7% (2023: 81.4%) of the total vehicles that passed the toll plazas with Class 2 and Class 3 vehicles collectively making up 18.3% (2023: 17.6%). Although smaller in number, Class 2 and 3 commercial vehicles accounted for 48.0% (2023: 46.6%) of the total toll collections as they pay higher toll rates.

To further boost the traffic throughout the highway, we are continuing with our marketing efforts such as our Frequent Travellers Programme and promotional activities on Facebook and X social media. As in the past years, our close collaboration with the Klang Utara traffic police facilitated smooth traffic flow particularly in the morning and evening peak periods at the Jalan Meru and Federal Highway intersections which greatly benefitted our road users. As with any other toll operators, health and safety are top concerns in operating and managing a toll highway and as such, every effort is carried out to safeguard the road users. During the year, we implemented various safety measures, including short term measures such as routine monitoring of pavement for defects, annual visual inspection of bridges, culverts and retaining structures. Longer-term measures, on the other hand include annual heavy repair of pavements and detailed bridge inspections by external consultants, which are conducted every six years. To-date, these efforts have been effective as the number of accidents reported at 1.33 vehicles per million (2023: 1.30 vehicles per million) is well below the 3.15 benchmark set by LLM. Nonetheless, we will continue to place traffic safety as an upmost priority to provide assurance to road users of our commitment to ensure safe and seamless travel along the highway. Since 2018, we have been certified and implemented the ISO9001:2015 Quality Management System by SIRIM QAS International. The scope of the certification covers the provision of highway operations and maintenance works. Our operations are governed by amongst others, the Concession Agreement with the Government of Malaysia and the Guidelines for Monitoring on Operation and Maintenance issued by LLM and we have instituted policies and processes to ensure that they are complied with.

We recognise that climate related risk is a key concern to our operations, particularly the deterioration of our highway infrastructure in the long term. Towards this end, we had undertaken pavement rehabilitation works along the highway based on the PAC 2023 report, Non-Conformance Report issued by LLM and internal visual inspection at a total cost of RM3.67 million. This has resulted in improved pavement quality and riding comfort for our road users. Overall, we had incurred repair and maintenance costs of RM5.54 million (2023: RM5.58 million) to maintain our level of service. Other than addressing the risk of deterioration of our highway from severe weather conditions, we are cognisant of the potential risk that arises from the occasional floodings occurring at the highway. The stretch of the Grand Sepadu Highway located at KM10–KM15 is particularly susceptible to flooding due to the position of the drainage system which is lower compared to the surrounding areas. During prolonged heavy rain, the drainage system is unable to discharge the rainwater fast enough to the nearby Klang river, thus inundating the lower level areas along the highway causing traffic flow disruptions. We are working with the relevant authorities to provide a long term solution which includes the construction of a retention pond at the Meru Interchange to be financed by the Jabatan Pengairan dan Saliran Negeri Selangor. In the meantime, other short term measures are being carried out to minimise the impact of the flooding, e.g. routine cleaning and inspection along the drainage system. Recognising that our operations contribute to the emission of carbon into the atmosphere, we are committed to gradually minimise our carbon footprint, particularly by reducing the consumption of electricity by partially substituting the usage of electricity with renewable energy sources. To achieve this, we have installed solar panels at the Bukit Raja toll plaza in 2024 and plan to install solar panels at the Kapar toll plaza in 2025.

In terms of financial performance, Pinggiran Muhibbah Sdn. Bhd. ("PMSB"), the holding company of Grand Sepadu, recorded higher operating revenue of RM94.63 million (2023: RM66.06 million), an increase of RM28.57 million due to higher government compensation. Operating revenue comprises toll collections of RM55.12 million (2023: RM52.23 million) and government compensation of RM39.51 million (2023: RM13.83 million) due to the non-increase of toll rates in 2016 and 2020 and reimbursement of festive discount for 2023. Total operating costs (excluding amortisation of expressway development expenditure and toll equipment) were RM13.84 million, lower than RM15.98 million in 2023. The lower costs in 2024 was primarily due to lower provision for heavy repairs by RM2.73 million but off-set against higher other operating expenses and staff cost by RM0.33 million and RM0.23 million respectively. Due to higher revision in the future traffic projections, depreciation and amortisation increased by RM5.08 million to RM25.76 million (2023: RM20.68 million), whereas finance charges from the issuance of Sukuk Murabahah was lower at RM2.77 million compared to RM3.89 million last year due to further repayment of a principal sum of RM15.00 million Sukuk Murabahah during the year. For the financial year, PMSB recorded a higher PBT of RM50.29 million compared to RM23.74 million in 2023. With the higher PBT, the PAT increased to RM33.90 million from RM14.68 million a year ago. PMSB paid a total of RM18.00 million of dividends (2023: RM15.75 million) and a further RM9.00 million was paid in January 2025 to the parent company.

In 2015, Grand Sepadu issued RM210.00 million nominal amount of Sukuk Murabahah. In June 2024, Malaysian Rating Corporation Berhad affirmed a rating of AA-IS with the rating outlook revised from stable to positive. Key strengths highlighted in the rating report include the Grand Sepadu Highway being recognised as a mature highway with resilient traffic profile and improved leverage profile, whilst uncertainty in toll rate hike implementation and susceptibility of commercial traffic to economic slowdown remain key risks. The outstanding Sukuk Murabahah stood at RM45 million with a further principal sum repayment of RM15 million to be made in June 2025 and the last repayment to be made by June 2027.

Together with Grand Saga, we will be submitting our toll restructuring proposal to the Federal Government in 2025, to address the case of not to unduly burden the road users whilst safeguarding our stakeholders' interests. Other than this, we do not anticipate any major developments within the industry that would have a major impact to our operations. For 2025, we foresee the traffic volume to increase at a modest growth rate, particularly at the Kapar and MOC B toll plazas, as the commercial traffic to the Northport and Westport will continue to sustain, taking advantage of the resilience in the national economy.

ENGINEERING AND CONSTRUCTION

In October 2024, the Ministry of Finance released the Economic Outlook 2025 which highlighted that the construction sector was still performing well with the sector posting a significant growth of 14.6% in the first half of 2024, driven by expansion in all subsectors. The civil engineering subsector continued its stellar performance, benefitting from the acceleration of ongoing infrastructure projects that included the East Coast Rail Link, Rapid Transit System Link between Johor Bahru and Singapore as well as the Pan Borneo Highway in Sabah. Meanwhile, the Penang South Reclamation project and the installation of electrical and piping systems supported the specialised construction activities subsector. The said report went on to state that the construction sector is expected to continue its positive momentum in the second half of 2024, with projected double-digit growth of 13.7%. The acceleration of public infrastructure projects towards the final year of the Twelfth Malaysia Plan (spanning the period between 2021 to 2025) further supported the civil engineering subsector. Furthermore, private sector led projects continue to provide additional support to the residential buildings subsector. Overall, the sector was projected to grow by 14.1% in 2024 and 9.4% in 2025 driven primarily by the acceleration of strategic infrastructure projects. The sector is likely to benefit particularly from civil engineering activities such as LRT3 Phase 2 and Sarawak-Sabah Link Road Phase 2.

During the year, we have two ongoing water infrastructure projects i.e. (i) Phase 1 of the Rasau Water Supply Scheme Package 2 – Construction of Treated Water Pumping Station and Pumping and Distribution Mains for a contract sum of RM602.43 million and (ii) Phase 1 of the Rasau Water Supply Scheme Package 3

– Construction of Booster Pumping Station and Low- and High-Level Reservoirs for a contract sum of RM293.86 million. The Rasau Package 2 project is a design and build project, which was procured and commenced in December 2021. It was initially scheduled to be completed by December 2024. However, we were granted EOT No. 1 under the contract to complete the project by November 2025 on the principal ground of unforeseen delay in procuring approvals or work permits from local authorities and government agencies ("Authorities"). A new application for EOT was lodged to further extend the date for completion to November 2026 and is pending approval. Although this project was awarded on a lump sum basis, we project the contract sum to escalate by RM11.94 million to RM614.37 million owing to the Variation of Price ("VOP") adjustment on the mild steel pipe supply. The construction activities undertaken during the year at the site of the Treated Water Pumping Station ("TWPS") included piling of precast spun piles, incidental excavation, and commencement of temporary sheet-piled cofferdam construction. We also continued with pipe laying and pipe jacking works as well as pursuit of approvals from the Authorities for the TWPS and pipe laying sites. As of December 2024, the actual physical progress stood at 21.6% (2023: 13.3%) discounting the EOT that we had applied for.

The Rasau Package 3 project was procured in December 2021, based on the design and build mode of delivery. This project also encountered similar challenges as in the Rasau Package 2 project. Construction activities in 2024 involved pipe laying and jacking of distribution pipes in Klang town and soil nailing at Bukit Lipat Kajang site. Though we were granted EOT No. 1, the delay in procuring approvals from the Authorities persisted and this was the main cause for the slowdown in the progress of the project. In view of this situation, we applied for EOT No. 2 to seek time extension until end March 2027. We projected the contract sum to rise by RM2.06 million to RM295.92 million because of the VOP adjustment on the mild steel pipe supply. As of December 2024, the actual physical progress stood at 13.1% (2023: 10.0%) and owing to the delays, our work schedule will be fully occupied for the rest of the year. Our perseverance to complete both the Rasau Projects within the contract period remains intact, underscoring our commitment to fulfil our contractual obligations.

During the financial year, the Rasau Projects exhibited a steady progress, contributing to an increase in the revenue to RM72.57 million comprising RM58.34 million from Rasau Package 2 and RM14.23 million from Rasau Package 3. For the same period last year, we posted a revenue of RM59.76 million. Despite the higher revenue, operating profit was lower at RM2.54 million as compared to RM4.56 million recorded a year ago. This was primarily attributable to the upward revision in the contract sum and margin arising from the final account issuance for the Langat 2 – Package 7 Balancing Reservoir Project in the previous year. No revenue or profits were recognised from this project in the current financial year as it has already been completed.

MANAGEMENT DISCUSSION AND ANALYSIS

WASTE MANAGEMENT

SWM Environment Holdings Sdn. Bhd. ("SWMEH")

Our involvement in the waste management business is through our 35% ordinary shares held in SWMEH, which we acquired in 2016. SWMEH's wholly owned subsidiary, SWM Environment Sdn. Bhd. holds the concession for the provision of solid waste collection and public cleansing services in the southern region of Peninsular Malaysia until September 2033. To manage the solid waste collection and public cleansing of a sizeable area of 28,500 square km, covering twenty-six local authorities in the southern states of the Peninsular Malaysia of Negeri Sembilan (seven local authorities), Melaka (four local authorities) and Johor (fifteen local authorities), while accommodating the growth in service areas, we leverage on the development of a vast array of technology to run and manage our extensive operations and fleet of vehicles and machinery more effectively and efficiently. Towards this end, our operational systems are integrated with the single platform system implemented by Perbadanan Pengurusan Sisa Pepejal dan Pembersihan Awam ("SWCorp"), a federal statutory body established under Ministry of Housing and Local Government ("KPKT") to implement the National Solid Waste Management Policy, with the aim to elevate the accuracy and efficiency of online reporting for work completion, increase the operational monitoring effectiveness as well as linking the intelligent scheduling system to both the online reporting platform and the monthly payment interface. These developments included the enhancement of the existing "i-jadual", the Intelligent Work Scheduling System, introduction of new in-house developed "i-Work" System to replace the external system for recording "LSK" the Work Completion Report System which integrates with i-jadual, Automatic Vehicle Locator System, SWCorp's online payment system (Sistem Pengurusan Bayaran Perkhidmatan – "SPBP") and SWCorp's Sistem Pemantauan Kawalan Kebersihan.

To effectively monitor the entire solid waste management and public cleansing operations in the seven states nationwide by all concerned parties that have adopted the Solid Waste Management and Public Cleansing Act (Act 672), we continue to forge strategic partnership with SWCorp and the other two concessionaries through the Command, Control, Communications, Computers and Intelligence ("C4i") Centre in Cyberjaya. With that real-time monitoring in place, we aim to provide a high level of service quality to both of our industrial and residential consumers. As our operations involve labour-intensive set-ups, we continually face a shortage of operative ground crews particularly in city areas like Johor Bahru, Melaka and Seremban-Nilai. Recruitment of local workers proves to be challenging due to its proximity to Singapore, which offers higher income. There is also a prevailing perception that waste management is dirty, dangerous and difficult, making it less attractive and least preferred work choice by the local workers. The freeze on foreign workers intake since March 2023 by the government rendered the option to hire additional foreign workers to overcome the manpower shortage more improbable. Despite the uphill challenge, all service schedules were met throughout the service areas through better manpower optimisation and deployment of temporary outsourcing. The ongoing investment in mechanising the labour-intensive cleansing activities as part of our operational optimisation initiatives and outsourcing of services, has effectively minimised the impact from shortage of manpower. Recognising that manpower shortage will be an on-going concern, we continue to undertake initiatives to increase productivity, operational efficiency and sustainability. These efforts include conducting study and assessment to invest in new electric vehicles and machineries as we embark on our journey to make our operations more environmentally friendly and less polluting. As an initial step, we purchased a few EV motorbikes. As part of our efforts to develop our human capital resources, we implemented capacity building programmes targeted at all levels of staff. As general workers and operations staff make up the bulk of our workforce, continuous skills training is important to mitigate and reduce non-compliance of services which is one of the two service level KPIs measured by the government in assessing our conformance to our contractual obligations.

In an effort to support our country to develop knowledge and capabilities amongst its workforce, we have launched and participated in numerous schemes that furthered our capacity building goals. For the frontliners, we conducted a wide range of training related to technical competency, safety and health, defensive driving for all drivers, supervisory and leadership, as well as digital and system training programmes. For this purpose, a majority of our employees have undergone training, with some attending multiple courses to ensure that they are adequately skilled and equipped to discharge their responsibilities. The 'Driver-Trainer' programme continued, with a trained and experienced driver appointed in each region to re-train and coach other drivers, leading to a reduction in occupational and commuting accidents in the second half of the year. Additionally, we conducted two batches of the Management Trainee Programme in 2024, successfully placing 41 candidates into the recruitment pipeline to address the shortage of operation supervisors.

MANAGEMENT DISCUSSION AND ANALYSIS

Over the years, we have been recognised for our efforts to continuous improvement and excellence. In 2024, we were indeed honoured by the conferment of the Excellent Waste Management Recognition Waste Reduction and Circularity by the Waste Management Association of Malaysia for 2024, acknowledging our dedication to sustainability initiatives, community involvement, job generation and outstanding governance practices. With the collaboration with University Tun Hussein Onn Malaysia as strategic partner in sustainability, we received awards for three projects from the Mayor of Majlis Bandaraya Iskandar Puteri ("MBIP") i.e. Gold GUCI (Government-University-Community-Industries) Award 2024 for project "Pertandingan Jelajah Sekolah Angkat Wira Lestari ("JESAWIL")", Silver GUCI Award 2024 for Eco-Trap project – A Collaborative Approach to Combating River Pollution in Panchor, Muar Johor, and Bronze GUCI Award 2024 for Utilisation of Ecobrics as a Building Material in Promoting Plastic Waste Reduction project. These recognitions underscore our commitment in fostering a sustainable and responsible operational framework towards our environmental, social and governance practices within our organisation.

In the corporate social responsibility ("CSR") space, we deploy our time and resources towards philanthropic endeavour under the "SWM Kasih" initiative. This initiative that we undertake throughout the year, is dedicated to supporting low income communities by providing them with essential necessities. Through SWM Kasih, we have extended a helping hand to 11,610 individuals throughout the three states. Furthermore, we continue to participate in community services through our CSR initiatives. During the year, we were involved in 727 essential CSR cleansing services by extending help to those who have been adversely affected by natural disasters. These included Gotong Royong, Bantuan Operasi Pembersihan Khas Banjir, Clean and Clear, along with Operasi Pasca Banjir.

In terms of our involvement in the environmental issues, we strive to encourage participation amongst the public to raise awareness on our collective impact on the environment. We have launched the KITARecycle programme with a mobile application developed by us as a tool to effectively educate and encourage the public to participate and play a role in the Reduce, Reuse, Recycle ("3R") initiatives that contribute towards a circular economy. We have conducted various campaigns and programmes to raise public awareness on our KitaRecycle programme. Our aim is to encourage the public at large to undertake voluntary recycling activities and promote Separation at Source ("SAS"). To support the KITARecycle programme, we have successfully conducted 668 Communication, Education and Public Awareness ("CEPA") programmes with 161,802 participations. The KITARecycle membership recorded 75,061 new members in 2024 bringing the total membership to over 113,000 registered users. Through the SAS and KITARecycle CEPA programmes in 2024, we managed to divert 1,865,335 kilograms of recyclables away from the landfill. Additionally, the establishment of more KITARecycle Drive-Thru Recycling Centres in 2024, as part of the KITARecycle initiatives to promote recycling activities, has increased public awareness and encouraged greater public participation to start and increase their recycling activities. As a result, new members rose by 470%, while recyclables collected in 2024 were 137% higher than 2023.

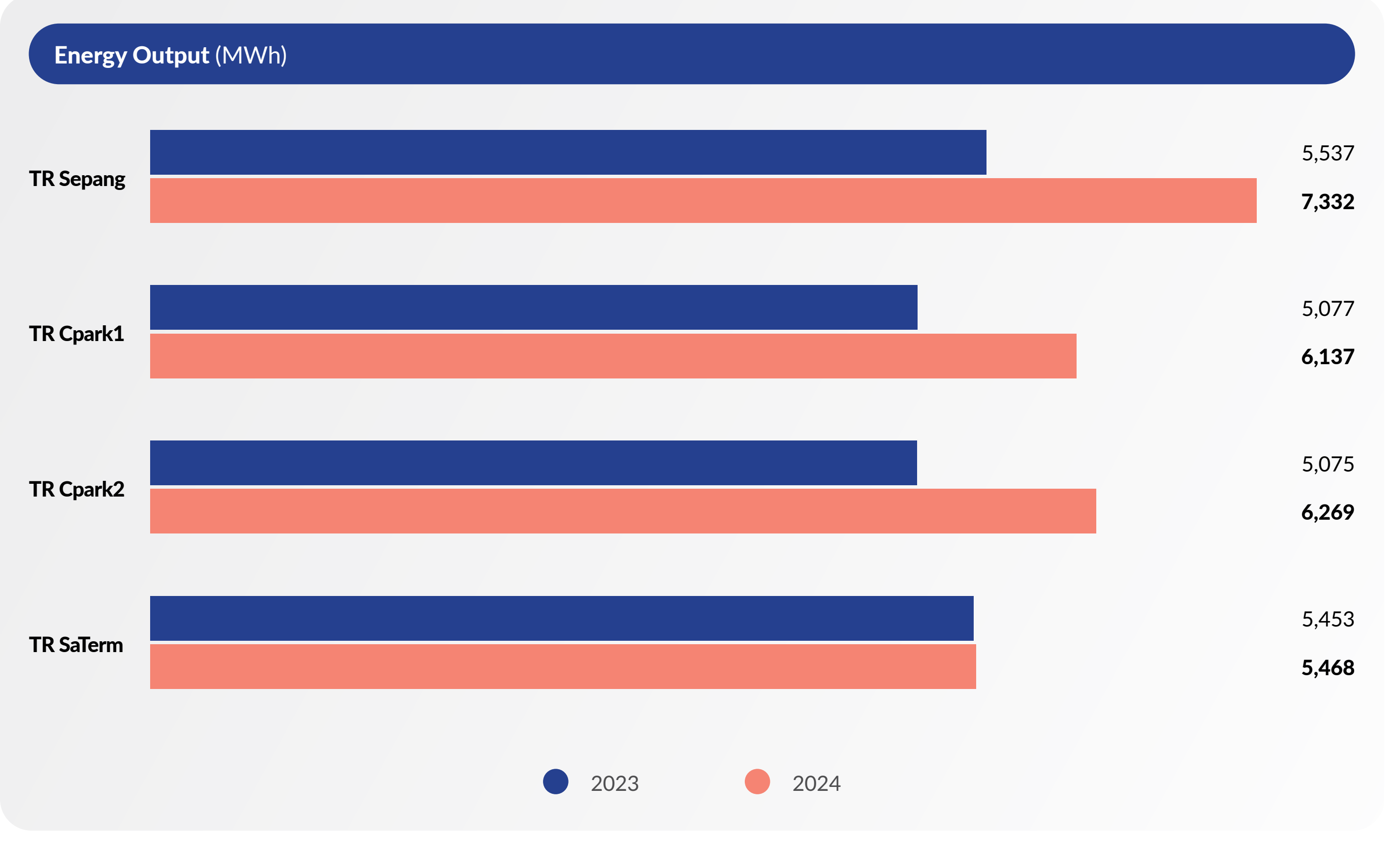
For the year, revenue increased by RM24.4 million or 2.5% as compared to a year ago. The higher revenue was contributed by the increase in both the solid waste collection and public cleansing by 0.9% and 3.5% respectively. The increase in revenue was a result of the handover of new housing areas for solid waste collection, as well as the expansion of morning and night markets cleansing, public park cleansing and grass-cutting activities. On the costs front, we continue to face headwinds in terms of recruitment and this has contributed to an escalation of labour-related costs. Direct operating expenditure increased by RM37.8 million or 7.2% year-on-year mainly due to the increases in payroll related costs, sub-contractor costs and depreciation charges. As a result, our profitability for the year was much lower when compared to our achievement in the previous year. As the next tariff review is slated to be discussed in September 2025, we are actively in dialogues with key government stakeholders, including SWCorp, KPKT and Department of National Solid Waste Management together with the other two waste management concessionaires.

RENEWABLE ENERGY

The Malaysian Government has set ambitious renewable energy targets, aiming for 31% capacity by 2025, 40% by 2035, and 70% by 2050. However, as at the end of 2024, renewable energy only contributed 25% to the country's total electricity supply mix, with the majority still reliant on fossil fuels like coal and natural gas. Recognising the need for accelerated efforts, the country has taken significant steps over the past year to drive its energy transition. Key initiatives include the Corporate Renewable Energy Supply Scheme which enhances corporate access to green electricity, allowing renewable energy producers to supply clean electricity directly to buyers and the Battery Energy Storage System to support grid stability and renewable integration. Additionally, the national Budget for 2025 has allocated over RM25 billion to energy transition projects, covering renewable energy expansion, hydrogen development and carbon capture. These efforts underscore Malaysia's commitment to reshaping its energy landscape and achieving long-term sustainability goals. Our operations are governed by, amongst others, the Environmental Quality Act 1974 and the Occupational, Safety and Health Act 1994 and we operate under the Feed-in Tariff programme administered by Sustainable Energy Development Authority, a statutory body formed under the Sustainable Energy Development Authority Act 2011.

In 2024, we successfully completed the solar panel replacement projects at TR Sepang and TR Cpark 1 and 2 sites with a total investment of RM19.02 million. The solar panels were replaced as they were showing signs of accelerated degradation. Solar panels in this condition tend to be less efficient, resulting in lower earnings. The TR Sepang panel replacement exercise was carried out on 4 March and completed on 27 April, while the TR Cpark 1 and 2 replacements took place from 4 March to 22 June. The last solar panel replacement took place in the fourth quarter of 2022, during which TR SaTerm solar panels attached to the rooftop of the KLIA1 main terminal, were completely replaced due to accelerated degradation. With the completion of the solar panel replacements, all our solar photovoltaic plants are fitted with newer types of solar panels which are more efficient, leading to greater cost savings over the long term. As there was an oversupply of solar panels in the market, we were able to procure the new solar panels at competitive prices. As a result of the solar panel replacements, the performance ratio, which is an indicator of how efficient a solar plant converts sunlight into usable energy, improved significantly across all sites. TR Sepang's performance ratio increased to approximately 75% from 57%, TR Cpark 1 to approximately 73% from 61% and TR Cpark 2 rose from 66% to 74%. These enhancements translated to higher energy output, greater overall efficiency and a positive long term impact on profitability.

Below are the comparison of energy output for the past two years from all our solar photovoltaic sites:-



The energy production across all sites increased in 2024 compared to 2023, reflecting improvements in system efficiency following the solar panel replacement initiative. TR Sepang recorded the highest increase, rising from 5,537 MWh in 2023 to 7,332 MWh in 2024, demonstrating significant performance enhancement. TR Cpark 1 also showed notable improvement, with production increasing from 5,077 MWh to 6,137 MWh, while TR Cpark 2 experienced a similar upward trend, growing from 5,075 MWh to 6,269 MWh. Meanwhile, TR SaTerm remained relatively stable, with a slight increase from 5,453 MWh to 5,468 MWh, primarily due to higher irradiance recorded in 2024 as compared to 2023. These results highlight the positive impact of the solar panel replacement project in optimising energy output and ensuring greater system efficiency.

Beyond technical performance improvements, this project supports our commitment to environmental sustainability and social responsibility. As part of the solar panel replacement exercise, we partnered with an exporter to repurpose 51,224 decommissioned solar panels amounting to approximately 884 tonnes to benefit communities with limited access to grid-connected electricity. Instead of recycling or discarding them, these solar panels were exported to rural areas, where they continue to generate clean energy, significantly improving the quality of life for the local residents. This initiative not only enabled us to effectively divert our waste away from the landfill and reduced our environmental impact but also provided a sustainable and affordable energy source, creating meaningful social value.

Apart from the concern of accelerated degradation, the TR Sepang site experienced major flooding incidents in 2020 and 2021 due to extreme weather conditions. Prior to these incidents, there had been no severe flooding in the vicinity since the solar panels were constructed in 2012. To mitigate this issue, several actions had been implemented, including relocating the string combiner boxes to a higher elevation and raising the height of the solar panels. Additionally, we are in the process of installing flood walls for the inverter room, office building, and transformers, as well as adding two additional pumps to manage floodwater. With these measures in place, we expect to substantially reduce the risk of equipment damage in the event of a flood.

In terms of financial performance, we achieved commendable financial growth with increased electricity sales. We recorded a total income of RM42.92 million (2023: RM28.10 million), comprising RM29.62 million from electricity sales (2023: RM24.93 million) and RM13.30 million in other income (2023: RM3.17 million). The substantial increase in other income was primarily attributed to warranty claims amounting to RM10.67 million, which partially defrayed the cost of the solar panel replacements. Total expenditure for the year stood at RM46.26 million, which included panel replacement construction costs of RM7.59 million and the write-off of old solar panels amounting to RM15.13 million. The solar replacement exercise, which involved writing off old solar panels and incurring associated cost in dismantling and installing the panels, resulted in a lower PBT for the year at RM0.66 million (2023: RM9.40 million). Nonetheless, with all the sites fully replaced with new solar panels, this will significantly enhance system performance, leading to increased energy generation and improved revenue streams in the coming years. With optimised asset utilisation and a strengthened financial position, we are optimistic to achieve long-term growth in our renewable energy business.

Dividends

For the current financial year, the board declared a total dividend payout of 4.50 sen per share (2023: 5.95 sen per share) totalling RM90.71 million (2023: RM119.94 million). Over the past years, we were able to maintain a sustained payout of dividends at every quarter to shareholders and the total dividend payout for each year exceeded the dividend payout policy. This has been made possible, facilitated by our concession-based businesses, particularly from the water treatment and supply segment and toll highway segment, which includes receipt of toll collections as well as government compensation, in addition to proceeds from the securitisation of receivables in 2019. For the past five years, we have paid out a total of RM609.78 million, averaging close to RM121.95 million per year. The consistent payment of dividends reflects our commitment to reward shareholders. We are also mindful in situations where we have cash in excess of our working capital and capital expenditure requirements, as well as periods when investment opportunities have yet to materialise. In proposing further dividend payouts, we would assess the Group's projected financial and cash flow requirements, including our banking facilities to ensure that there will be sufficient cash reserves to be deployed as we seek to expand our core businesses.

A summary of the dividend payments together with the historical financial information and key financial ratios are disclosed in the 5-Year Financial Highlights in this Annual Report.

Prospects

Except for the construction segment, our core activities are predominantly in the concession-based businesses where we derive steady stream of income from services that we provide to our customers. Our involvement in the water treatment and supply, toll operations and renewable energy businesses have done comparatively well with prompt payments received for services rendered. This has enabled us to operate and manage our operations smoothly with minimal risks of payment defaults or major impediments. With the government of the day and political landscape continuing to be stable, we are optimistic that the Malaysian economy will be buoyant and able to maintain its growth momentum. However, the global business environment has become more unsettled, given the extent of heightened geopolitical tensions, ongoing trade wars amongst the major trading nations which causes undue supply chain disruptions and uncertainties that undermine the business community's confidence. The risk of an economic downturn is real for countries that are caught in this turmoil. From the Economic Outlook 2025 Report, our Honourable Prime Minster had cited that the nation's robust economic fundamentals and strategic reforms have not only enabled us to navigate the turbulent waters of 2024 but also showcased our resilience in the face of global challenges with the economy projected to grow within the range of 4.5% to 5.5% in 2025. This rate of growth has also been published in the recent Bank Negara Malaysia Annual Report 2024, whereby the central bank indicated that the growth will be driven by sustained domestic demand, despite heightened external uncertainties that could lead to a more moderate expansion of exports.

MANAGEMENT DISCUSSION AND ANALYSIS

Despite the uncertainties brought about by the unfavourable global economic conditions, we are confident that our businesses will remain resilient as we operate services that are deemed essential and critical. The water treatment and supply and the toll highway segments are expected to continue to contribute significantly to our profit and cashflow. Being a necessity, the demand for safe treated water, both to residential and commercial users will remain strong with the growing population and increased economic activities in the Klang Valley. This can be seen by the Selangor state government's relentless efforts to ramp up the construction of water infrastructure facilities to cater for future demand. While this inevitably provide vast opportunities for us to undertake some of these projects, the expected increase in the supply of treated water within the Klang Valley may dampen the volume of supplies required from our water treatment facilities at SSP1 over the longer term. Nonetheless, as the economy continues to expand, especially with the Malaysian Government actively promoting data centre investments and development to establish the country as a regional hub for digital infrastructure, our services are still expected to be in demand.

Our toll operations have consistently registered growth in the volume of traffic that passes through our two highways and are likely to continue this trend in the coming years. Despite the availability of mass rapid transit system and other public transportation options, the use of individual passenger cars remain a preferred mode of transportation among city dwellers due to personal preferences and other various factors. With the upcoming LRT3 expected to be operational by September 2025, we do not expect the Grand Sepadu Highway to be greatly impacted as the light rail transit line does not directly compete with the highway. However, we will closely monitor the impact of fuel subsidy rationalisation as the government has contemplated to remove fuel subsidies in 2025. This might influence the decisions of vehicle owners to continue prioritising personal comfort over the hassle of hopping on to the public transportation. Based on a recent traffic projection study by our traffic consultants, they have indicated that the removal of fuel subsidies is unlikely to have a material impact to the volume of traffic on our highways.

On our expansion plans, we view the renewable energy business as a key long-term growth driver for the Group. To strengthen our presence in this sector, we aim to expand our footprint by seizing available opportunities particularly through brownfield acquisitions that will provide us with more visibility into project viability and expected returns on our investments. It is the government's aspirations to promote and strengthen the renewable energy generation capacity, diversification of energy sources and investing in sustainable infrastructure. As such, we intend to play a more prominent and profound role in the renewables sector by expanding beyond solar generation that we are currently involved in, to include other forms of renewable energy projects. We plan to pivot our businesses towards sectors which we see as giving us the opportunities to grow, positioning ourselves as an organisation at the forefront in the environment space.

Other than our participation in the renewable energy sector, we view our construction business, particularly infrastructure-related activities, as another important enabler to propel our growth trajectory. Our involvement in the Rasau Projects implemented by Air Selangor is a testament of our ability to implement large-scale infrastructure projects. Prior to that, we have also successfully constructed and delivered other major undertakings, including construction of dam, flood mitigation projects for our clients. For the waste management segment, our investment in SWMEH remains viable as the company continues to register higher annual revenue from both solid waste collection and public cleansing services. The protracted delay in securing a tariff revision is one of the key risks. Ongoing discussions are held with key stakeholders to reach an amicable resolution. With the conclusion of the tariff review, we expect a positive outcome for our shareholders.

Overall, we are optimistic that the Group's business prospects and outlook remain positive, and we believe the construction and renewable energy divisions are the main drivers to create strategic value for the Group, supported by the strong cash generation of other core businesses. Moving ahead, we are confident that our focus on infrastructure and utility investments will be a key factor in the Group's overall success and sustainability.

OUR VALUE CREATION STRATEGY

OUR COMMITMENT TO SHAREHOLDERS

We strive to be an established infrastructure company with capabilities to design, build and operate an infrastructure project; providing end-to-end solutions to prospective customers

01 To increase shareholder value via new contracts and value enhancing mergers and acquisitions ("M&A")

02 To perform all existing contracts efficiently while meeting all required KPIs under the contracts, in accordance with best practices and guided by regional standards

03 To continue our commitment on environmental, social and governance ("ESG") matters and working towards carbon neutrality in line with the government's net zero target by 2050

OUR VALUE CREATION STRATEGY

STRENGTHS, OPPORTUNITIES, RISK AND CHALLENGES

BUSINESS STRENGTHS

- Strong recurring income from water, toll and renewables division; higher contribution from Rasau Projects
- Nature of business which have proven to be resilient against economic downturn
- Established track record in the water infrastructure industry
- Strong balance sheet with healthy cash balances and ability to gear up
- Highly experienced senior management team

INDUSTRY LANDSCAPE

Identified Opportunities and Strategic Priorities

1. The water industry has been identified as one of the Government's priority. We foresee significant infrastructure opportunities in this sector, which the Group is well-positioned to capitalise on.
    - As part of the 12th Malaysia Plan, the Water Sector Transformation 2040 was introduced to drive the sector's growth while ensuring water security, sustainability, and efficiency.
    - Key focus areas include resolving non-revenue water issues, upgrading aging water infrastructure, addressing potable water scarcity in water-stressed states, enhancing raw water quality, and managing water-intensive industries, particularly the rapid growth of data centres.
    - Additionally, the National Non-Revenue Water Programme 2025-2030 has allocated RM2.5 billion to improve water management nationwide.
2. Malaysia's commitment to achieving net zero carbon emissions as early as 2050 supports the group's expansion plans in the renewable energy sector.
    - The Budget 2025 is accelerating clean energy transition via initiatives such as increasing allocation under the Net Energy Transition Roadmap ("NETR") to RM300 million, and provision of up to RM1 billion funding under the Green Tech Financing Scheme ("GTFS").
    - On January 2025, Malaysia officially implemented the Energy Efficiency and Conservation Act, which mandates large energy consumers to adopt energy-saving measures for both electrical and thermal energy.
3. To achieve resolution for the tariff negotiations for our waste management and toll concession agreements.
4. To continue our commitment on ESG matters and to have good risk management practices.

Risk and Challenges

1. Taliworks' businesses engage in highly competitive markets with finite number of projects, and hence introduce risks in our ability to secure new projects that meet the Group's returns requirement whilst meeting existing contractual obligations.
2. Taliworks continues to be susceptible to volatility of the political landscape in the country.
3. Taliworks is exposed to inflationary pressures i.e. rising costs of raw materials and labour including impact of minimum wage, and shortage of manpower.
4. Navigating climate change and adapting to evolving ESG expectations and regulatory requirements remain one of the key challenges for Taliworks.

We will draw upon the following resources to achieve our strategic focus

Financial Capital

- As at 31 December 2024, Taliworks has net assets of RM962.4 million and cash balances of RM189.4 million
- Taliworks's PAT for FY2024 is RM102.5 million
- Taliworks has healthy cash balances and ability to gear up to pursue new contracts

Human Capital

- The group has a staff strength of over 9,000 staff
- Each division is led by senior management team with multiple decades of experience
- Employees are trained in areas of leadership development, technical aspects relevant to their roles, and occupational safety and health

Manufactured Capital

- Each division has the necessary assets and infrastructure to perform its obligation under the contracts and is undertaking digitalisation efforts to increase efficiencies in their operations
- For example, our water division utilises a Computerised Maintenance Management System ("CMMS") and has a river water quality monitoring programme
- Our waste division has the most physical assets, with a fleet of approximately 1,600 mainly Compactors, ROROs and Ultra Whack fitted with GPS and fuel sensor for efficiency monitoring, and 27 in-house workshops and mobile tyre team to ensure fleet and machines are in best working conditions

Social and Relationship Capital

- Each division maintains strong relationship with the relevant authorities, contractors, suppliers and the local communities it operates in
- At Taliworks, there are also constant engagements with our shareholders, financiers, the investment community and the press

Intellectual Capital

- Each division has operating procedures which are guided by international standards
- As part of Taliworks's efforts to be in the forefront of the water industry, the water division has a R&D team which promotes new water treatment technologies to the Malaysia water industry such as the ceramic membrane filtration technology, sustainable filtration technology for rural water supply and alternative water usage of water treatment residual

Natural Capital

- Each division embarks on various initiatives to meet its respective timeline driven sustainability goals
- For more details, please refer to our sustainability statement included in this Annual Report

OUR VALUE CREATION STRATEGY

FOCUS

To increase shareholder value via new contracts and value enhancing mergers and acquisitions ("M&A")

Division

Goals

- For Water Treatment and Supply division, to continue R&D efforts to contribute to the overall improvement of the water industry and keep us at the forefront of getting new O&M and other contracts in the water industry.
- For Engineering & Construction division, pending completion of the Rasau Projects, to selectively participate in new projects, focusing on invited and pre-qualified tenders.
- For Renewable Energy division, to explore viable investments in brownfield solar assets and new solar development, and to expand into other segments of renewable energy, leveraging on government incentives under the Net Energy Transition Roadmap that aims to achieve carbon neutrality for Malaysia by 2050.
- For Waste Management division, to secure new waste management contracts in other jurisdictions or explore new waste management services.

Strategies

- Engagement and negotiations with local universities, State & Federal government agencies to explore solutions to improve water distribution and production in selected targeted states.
- To work closely with the water division and to maintain relationship with industry players and relevant government entities for identification of potential projects with higher margins.
- To stay ahead of the curve in the rapidly changing renewable energy industry, by actively engaging with industry players within the supply chain, keeping up-to-date with government policies and incentives, and explore potential collaboration opportunities with experienced players.
- To actively engage the relevant States and Federal Government agencies.

FOCUS

To perform obligations under existing contracts and achieve resolution for the tariff negotiations for our waste management and toll concession agreements

Division	Goals	Strategies
	• For each division, to generate stable income by performing obligations under the contracts safely, securely, and efficiently. • For Water Treatment and Supply division, to ensure proper and efficient execution of planned projects to satisfy our obligations under the Bulk Water Supply Agreement. • For the Toll division, to explore toll rate restructuring to ensure sustainability of cashflow. • For the Waste Management division, to finalise negotiation for second cycle tariff increase which has been deferred since September 2018. • For each division, to maintain and add ISO accreditations where applicable.	• Proactive monitoring to ensure operation is conducted efficiently. • To work closely with Air Selangor to secure the necessary approvals for successful implementation of the dewatering plant project. • Continued proactive engagement with the relevant government agencies with collaborative efforts from the other industry players. • Continuous review and update of operation procedures to ensure that they align with regional standards and best practices.

OUR VALUE CREATION STRATEGY

FOCUS

To continue our commitment on ESG matters and working towards carbon neutrality in line with the government's net zero target by 2050

Division	Goals	Strategies
	• To achieve time-bound targets set out in Taliworks Sustainability Framework. • To establish a more robust time-bound measurable targets and goals in line with international sustainability standards. • To embed a sustainable workplace culture.	• Continuous monitoring of sustainability data and periodic progress reporting by the business divisions. • Empowerment of the Sustainability Steering Committee and the Sustainability Working Group through the establishment of the Terms of Reference and ESG Framework and Policy Guidelines. • To undertake a review of refreshed Taliworks Sustainability Framework and enhance climate-related risk reporting for alignment with the IFRS S1 and S2 standards, including establishment of time-bound measurable targets and goals toward an effective sustainability performance management. • Continue organising regular skill-based and sustainability-related personal development trainings and maintain practice of performance review to instill culture of continuous self-improvement among employees, while inspiring them about the importance of sustainability and the role of employee environmental commitment in the workplace. • Outlining a roadmap for decarbonisation efforts to transition towards carbon neutrality and ultimately achieve net-zero emissions.

DIRECTORS' PROFILE

YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz ("Tunku Ali") holds a BA (Hons) in History and Social & Political Sciences from the University of Cambridge and a Masters in Public Administration from the John F Kennedy School of Government, Harvard University.

With more than 25 years of corporate experience, Tunku Ali brings his extensive expertise in governance, strategy consulting, and principal investing to the board.

He is a Senior Advisor to TPG Capital, a global private equity firm, sitting on the board of several TPG portfolio companies, including Pathology Asia Holdings Pte. Ltd and Asia OneHealthcare Sdn. Bhd. *(formerly known as Columbia Asia Healthcare Sdn. Bhd.)*. The portfolio also encompasses Peel Healthcare Sdn. Bhd. of Northen Heart Hospital Penang, Cardiac Vascular Sentral (Kuala Lumpur) Sdn. Bhd. and Integrated Oncology Center (Kuala Lumpur) Sdn. Bhd., which operates under Picaso, the PJ Integrated Centre of Advanced Surgery and Oncology. Additionally, he is Chairman of International Medical University, Asia Pacific University of Technology & Innovation and XCL Education Malaysia. Separately, he is also a partner of Vynn Capital Sdn. Bhd., a board member of Bangkok Bank Berhad and Non-executive Chairman of Astro Malaysia Holdings Berhad.

Tunku Ali is Chairman and Founding Trustee of Teach For Malaysia, President of WWF Malaysia and Chairman of Cancer Research Malaysia. He is also Chairman of the Board of Trustees of Yayasan Munarah and a Trustee of Amanah Warisan Negara, Pro-Chancellor of Universiti Kebangsaan Malaysia and Royal Fellow of Universiti Sains Islam Malaysia, Chairman of Board of Governors of Marlborough College Malaysia and an International Council Member of Marlborough College, United Kingdom.

Previously, Tunku Ali was Director of Investments at Khazanah Nasional Berhad, and prior to that, a management consultant at McKinsey & Company.

He has no family relationship with any directors and/or major shareholders of the Company and to his best knowledge and belief, he has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has attended all the Board meetings of the Company held during the financial year.

YAM TUNKU ALI REDHAUDDIN IBNI TUANKU MUHRIZ

MALAYSIAN

AGED 48

MALE

INDEPENDENT NON-EXECUTIVE CHAIRMAN

DATE OF APPOINTMENT
27 NOVEMBER 2019

BOARD COMMITTEE
NIL

DIRECTORS' PROFILE

Mr. Kevin Chin Soong Jin ("Kevin") holds a Bachelor of Laws and a Bachelor of Economics from Monash University, Melbourne, Australia.

He joined Taliworks Corporation Berhad in March 2009 as the Corporate Adviser prior to his current role. He also sits on the board of several privately-held companies within the LGB Group. Prior to his appointment, he was responsible for the corporate finance and funding division of several listed companies between 2000 and 2009.

Kevin started his career as a lawyer before joining the corporate finance division of RHB Sakura Merchant Bankers Berhad between 1994 and 2000.

He has no family relationship with any directors and/or major shareholders of the Company and to his best knowledge and belief, he has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has attended all the Board meetings of the Company held during the year.

KEVIN CHIN SOONG JIN

MALAYSIAN

AGED 57

MALE

EXECUTIVE DIRECTOR

DATE OF APPOINTMENT
1 MARCH 2024

BOARD COMMITTEE
NIL

Datuk Roger Tan Kor Mee ("Datuk Roger Tan") serves as a member of the Audit and Risk Management Committee of the Company since 27 February 2020 and was appointed as a member of the Nominating Committee of the Company on 24 August 2022. On 15 August 2024, the Company merged the Nominating Committee and Remuneration Committee into Nominating and Remuneration Committee, and he was re-designated as the Chairman.

Datuk Roger Tan holds a Bachelor of Laws (Honours) from Queen Mary College, University of London. He was admitted as a barrister-at-law of the Gray's Inn, London. He was also admitted as an advocate and solicitor in Singapore and Malaya. Datuk Roger Tan also holds a Master of Laws degree from the National University of Singapore. He is also a Notary Public and Commissioner for Oaths.

Datuk Roger Tan is the managing partner of Messrs Roger Tan & Partners. He was a senior partner of Messrs Nik Saghir & Ismail between 1995 to 2009. He was an elected member of the Malaysian Bar Council between 2004-2008. He re-joined the Bar Council in March 2018 until March 2023. At the Bar Council, he had chaired various committees, notably the Conveyancing Practice Committee. He was also a Board Member of the Advocates & Solicitors Disciplinary Board (July 2013-June 2015 and July 2017-June 2019).

In June 2009, he was appointed as a Commissioner of the National Water Services Commission ("SPAN"); a position he held for eight years until May 2017. At SPAN, he chaired the Disciplinary Committee (for Director General & Senior Executive level) and the Licensing, Enforcement & Legal Affairs Committee.

He was also a Board Member of the Solid Waste Management and Public Cleansing Corporation ("SWCorp") from March 2009 to March 2015. At SWCorp, he chaired its Licensing Committee. He is one of the founders of Waste Management Association of Malaysia, and is now its Honorary Secretary.

Between May 2015 to August 2017, he was also an Independent Non Executive Director of Cityneon Holdings Limited in Singapore.

Datuk Roger Tan is now a Commissioner of the Malaysian Aviation Commission. On 22 March 2023, he was also appointed and re-appointed in March 2024 as a member of the Panel of Experts of the Ministry of Housing and Local Government.

He had also served as a president of the Strata Management Tribunal between July 2005 to June 2022. On 26 November 2020, he was appointed as a trustee of the TARC Education Foundation.

He writes regularly in local and international news media, and has a column with The Sunday Star entitled, 'With All Due Respect'. He is also a Life Fellow of the Institute of Corporate Directors Malaysia.

He has no family relationship with any directors and/or major shareholders of the Company and to his best knowledge and belief, he has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has attended all the Board meetings of the Company held during the financial year.

DATUK ROGER TAN KOR MEE

MALAYSIAN

AGED 63

MALE

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT
27 NOVEMBER 2019

BOARD COMMITTEE
- MEMBER OF AUDIT AND RISK MANAGEMENT COMMITTEE
- CHAIRMAN OF NOMINATING AND REMUNERATION COMMITTEE

DIRECTORS' PROFILE

DATIN PAULINE TAM POH LIN

Datin Pauline Tam Poh Lin ("Datin Pauline") serves as a member of the Audit and Risk Management Committee since 17 August 2022 and redesignated as the Chairperson on 24 August 2022. She was appointed as a member of the Remuneration Committee on 24 August 2022 and on 15 August 2024, the Company merged the Nominating Committee and Remuneration Committee into Nominating and Remuneration Committee.

Datin Pauline was an Executive Director/Tax Partner in KPMG Malaysia and retired on 31 December 2017. Datin Pauline has 34 ½ years of professional experience with 4 years spent in audit and the balance of 30 ½ years in tax. Datin Pauline was leading the Global Mobility Services of KPMG Malaysia in addition to her role as one of the KPMG Corporate Tax Executive Directors prior to her retirement.

Datin Pauline has significant experience in both corporate and personal tax advisory and tax compliance and also immigration related matters.

Some of Datin Pauline's key areas of expertise include corporate and personal tax compliance and also corporate tax advisory, personal tax planning, immigration related matters, payroll tax compliance reviews, advice on stock option plans, corporate tax due diligence reviews, tax audit and investigation, evaluation of tax incentives for foreign/local investments, advice on tax incentives and implications on foreign investment in Malaysia.

Datin Pauline has provided tax services to a diversified portfolio of clients including public listed companies and multinational corporations in a wide range of industries including airlines, oil and gas, infrastructure, manufacturing, trading, investment holding, financial services, educational services, plantation, construction and property development.

Datin Pauline is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and the Chartered Tax Institute of Malaysia.

She has no family relationship with any directors and/or major shareholders of the Company and to her best knowledge and belief, she has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries. She has not been convicted for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She has attended all the Board meetings of the Company held during the financial year.

MALAYSIAN

AGED 62

FEMALE

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT
17 AUGUST 2022

BOARD COMMITTEE
- CHAIRMAN OF AUDIT AND RISK MANAGEMENT COMMITTEE
- MEMBER OF NOMINATING AND REMUNERATION COMMITTEE

Datin Irene Lim Ai Ling ("Datin Irene Lim") serves as a member of the Audit and Risk Management Committee as well as the Nominating and Remuneration Committee of the Company since 15 August 2024.

She holds a Bachelor of Commerce (Accounting and Finance) from Curtin University of Technology, Australia.

Datin Irene Lim started her career in Audit team with Ernest & Young. In 1999 she joined LGB Group as Finance Director in Alam Ria Sdn. Bhd., overlooking daily accounting and finance planning.

In 2004, she held the position of Group Finance Director in LGB Holdings Sdn. Bhd. She is involved in corporate and management exercises, daily accounting and finance-related matters, account analysis, treasury and funding investment management throughout the Group and Companies.

Datin Irene Lim is a motivated Director of Finance in LGB Group, promoting more than 20 years of proficiency in identifying and analysing trends and partnering with other departmental leaders.

She is an action-oriented individual with experience in tracking actual business results against plans, including acquisitions, budget preparations and implementation.

She is the younger sister to Dato' Lim Chee Meng and the elder sister to Lim Chin Sean who are the major shareholders of the Company. By virtue of her connection with the directors of LGB Engineering Sdn. Bhd., which is involved in the construction industry, there may be potential or perceived conflict of interest with her being a director of the Company. To her best knowledge and belief, she has no other conflict of interest or potential conflict of interest including interest in any competing business with the Company and its subsidiaries. She has not been convicted for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She has attended all the Board meetings of the Company held during the financial year since her appointment.

DATIN IRENE LIM AI LING

MALAYSIAN

AGED 48

FEMALE

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT
15 AUGUST 2024

BOARD COMMITTEE
- MEMBER OF AUDIT AND RISK MANAGEMENT COMMITTEE
- MEMBER OF NOMINATING AND REMUNERATION COMMITTEE

SUSTAINABILITY STATEMENT

Our Commitment to Sustainability

Taliworks Corporation Berhad (referred to as "Taliworks" or "the Group") is committed to sustainability, embedding Environmental, Social, and Governance ("ESG") principles into every aspect of our operations. By prioritising renewable energy, resource efficiency, and innovation, we align our strategy with global efforts to combat climate change and promote sustainable development, enhancing operational efficiency and driving responsible growth.

We actively engage stakeholders to ensure meaningful impact, emphasising community engagement, environmental stewardship, and corporate transparency. Through sustainable practices and strategic partnerships, we contribute to Malaysia's progress while ensuring our growth preserves resources and opportunities for future generations.

Reporting Approach

This report is disclosed in reference to the GRI Sustainability Reporting Standards and adheres to the following standards, where applicable, addressing significant issues related to environmental, social, and governance aspects. Aligned with global sustainability agendas, it offers an overview of our contributions to the United Nations Sustainable Development Goals ("UN SDGs").

It is also guided by:

- Bursa Malaysia Main Market Listing Requirements
- Bursa Malaysia Sustainability Reporting Guide
- Task Force on Climate-related Financial Disclosures ("TCFD")

External Assurance and Validation of Disclosures

Selected contents of this report have been reviewed and assured by Bureau Veritas, which has verified the accuracy and reliability of all reviewed statements pertaining to our emissions disclosures. Bureau Veritas's assurance standard encompasses the assessment of Taliworks' Greenhouse Gas Emissions ("GHG"), particularly on Scope 1 and 2. The assurance also ensures alignment with national and global reporting frameworks.

Bureau Veritas' independent assurance statement provides a summary of the audit report findings, which can be located in the Assurance Statement section of this Sustainability Statement.

Reporting Scope and Period

We are dedicated to delivering transparent reporting to hold ourselves accountable for our goals. This annual Sustainability Statement covers the reporting period from 1 January 2024 to 31 December 2024 ("FY2024") and includes the key operations of Taliworks, its main subsidiaries, major joint ventures, and associated companies—all situated within the geographical scope of Malaysia. Significant restatements compared to prior years are explained in the relevant section where they appear.

2024 ESG Highlights

Saw a **34%** increase in total emissions due to **operational expansion and inclusion of Scope 3**, aligning with Malaysia's Net-Zero target by 2050.

Engaged in over **30** community initiatives, including education and environmental programmes, benefiting over **20,000 individuals across Malaysia.**

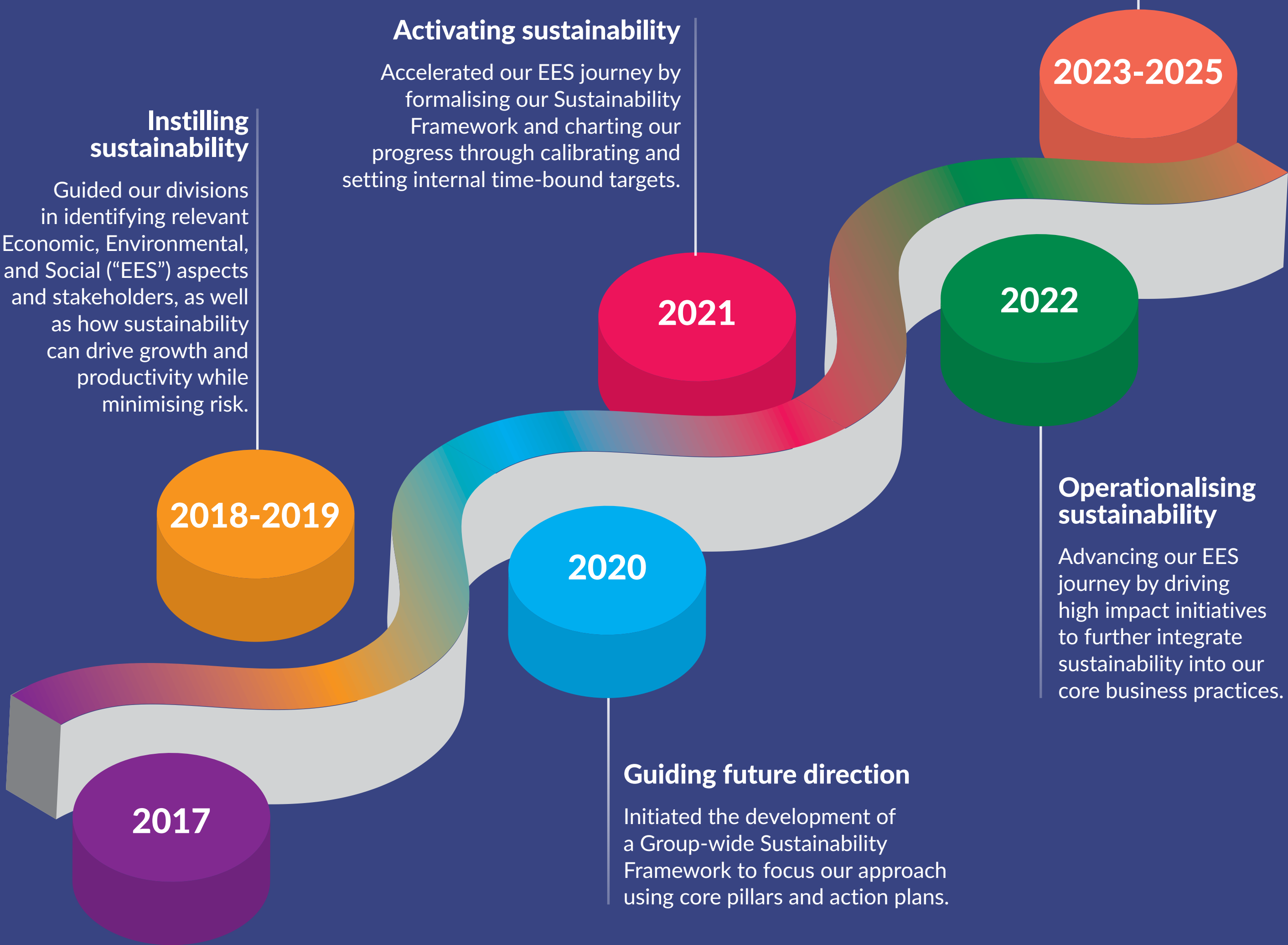
Successfully ensured **zero** substantiated breaches in cybersecurity, underscoring our **rigorous security protocols** and **proactive risk management** approach.

Achieved an average **customer satisfaction score of 84.3%,** demonstrating a consistent enhancement in service quality and customer experience across all business units.

Maintained **zero cases** of **bribery, corruption,** and **human rights violations**, reflecting our strong compliance culture.

Sustainability at Taliworks

Navigating through the final phase of our sustainability roadmap, 2024 has been a crucial year in reinforcing and accelerating progress towards achieving the Group sustainability aspirations set for 2025. This year, our efforts have been focused on deepening the integration of sustainability into our core business practices, driving impactful initiatives, and strengthening employee engagement to ensure long-term economic, environmental, and social excellence.



Laying the groundwork

Identified sustainability issues and established performance indicators.

Instilling sustainability

Guided our divisions in identifying relevant Economic, Environmental, and Social ("EES") aspects and stakeholders, as well as how sustainability can drive growth and productivity while minimising risk.

Guiding future direction

Initiated the development of a Group-wide Sustainability Framework to focus our approach using core pillars and action plans.

Activating sustainability

Accelerated our EES journey by formalising our Sustainability Framework and charting our progress through calibrating and setting internal time-bound targets.

Operationalising sustainability

Advancing our EES journey by driving high impact initiatives to further integrate sustainability into our core business practices.

Accomplishing our sustainability aspirations

Realistic targets and goals on how we integrate sustainability into our core business practices have been set for 2025. Our goal is to achieve all our sustainability aspirations and targets that impact our sustainability agenda and financial profitability by 2025.

Our Sustainability Framework

Guided by our Sustainability Framework, anchored on four key pillars, we align the Group's operations with global sustainability goals, fostering responsible growth and promoting sustainable development as a core part of our vision.

Pillar 1

Better Business Through Innovation

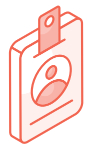
Leveraging technology and innovation for the creation of products and services to improve sustainability of our business and value chain.

Pillar 2

Impact-Positive Environmental Practices

Minimising the impact of our operations on the environment and proactively responding to climate change through positive actions.

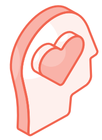
Pillar 3



Valued Human Capital

Creating a safe and healthy working environment.

Pillar 4



Enriched Communities

Making meaningful contributions to the communities around us through service and programmes that enrich lives.

These four key pillars have been essential to the Group's long-term sustainability and resilience. Collectively, they enable Taliworks to address critical business, environmental, and societal challenges, align with evolving regulatory requirements as well as contribute to the United Nations Sustainable Development Goals ("UN SDGs"). This alignment reinforces the Group's commitment to delivering lasting value for stakeholders while contributing to global sustainable development priorities.

For more information on our contributions to the UN SDGs, please refer to our Material Matters.

Stakeholder Engagement

At Taliworks, building strong and meaningful relationships with our stakeholders is central to our sustainability efforts. By working closely with those affected by our operations, we aim to drive positive change, inspire collaboration, and identify innovative solutions that balance diverse priorities. Through ongoing engagement and open dialogue, we ensure that our strategies reflect stakeholder needs while delivering sustainable economic value. Below is an overview of the key stakeholder groups and the engagement mechanisms we use to maintain these vital connections.

Our Stakeholders	Customers
Engagement Methods and Channels	• Social media platforms • Customer surveys and feedback forms • Newsletters • Dedicated customer service hotline • Mobile and email communication • Corporate website
Frequency of Engagement	• Annually • Throughout the year
Our Response and Actions	• We centre our customer engagement efforts on three core areas: efficient responses, excellent service delivery, and competitive pricing. • These aspects are pivotal in fortifying Taliworks' reliability and ensuring compliance with best practices. • Our ultimate objective is not only to meet but to surpass customer expectations in our deliverables, all while delivering exceptional customer service.

Our Stakeholders	Regulators and Government Bodies
Engagement Methods and Channels	• Engagement through legal and compliance teams • Industry association meetings or panels • Physical and virtual conferences, exhibitions, meetings, and consultations • Formal periodical reports • Press releases
Frequency of Engagement	• Annually • Throughout the year
Our Response and Actions	• Establishing and sustaining valuable relationships with government and regulatory bodies is crucial, given their role in regulatory oversight, leadership, and status as part of our customer base. • By ensuring excellent quality of service, competitive pricing, and regulatory compliance, we strive to be a reliable partner and a responsible corporate citizen.

Our Stakeholders	Shareholders, Investors, and Analysts
Engagement Methods and Channels	• Annual General Meetings • Fund managers' and analysts' briefings • Physical and virtual investor conferences and meetings • Email channels • Investor relations sections on the Company's website • Annual Reports and Financial Statements • Company's website
Frequency of Engagement	• Quarterly • Annually • Throughout the year
Our Response and Actions	• We keep stakeholders informed about the Group's financial and operational performance by issuing public announcements and press releases in conjunction with the quarterly unaudited financial results submitted to Bursa Malaysia. • Annually, we publish our annual report, which covers our strategy, risk management, and ESG practices. These updates cater to shareholders, investors, fund managers, financiers, and analysts, offering insights into our business plans, strategies, financial performance, project and business operations, and details on any corporate exercises undertaken.

Our Stakeholders	Employees
Engagement Methods and Channels	• Employee hotlines or grievance mechanisms • Recognition and reward programmes • Town halls and Team meetings • Employee engagement programmes and surveys • Internal training, webinars, and workshops • Internal communications and newsletters • Performance appraisals
Frequency of Engagement	• Annually • Throughout the year
Our Response and Actions	• Our workplace is dedicated to fostering growth and diversity. • We provide equal opportunities to all employees, with benefits tailored to industry standards and the specific needs of our workforce. • We prioritise the rights of our employees, emphasising workplace safety and maintaining a healthy work-life balance. • Additionally, we support their professional development by providing opportunities for career growth.

SUSTAINABILITY STATEMENT

Our Stakeholders	Vendors/Communities/NGOs
Engagement Methods and Channels	• Supplier audits and assessments • Workshops and training sessions • Supplier scorecards and performance reviews • Community/Volunteer projects and programmes • Grievance mechanisms for community concerns • Community meetings • Social media platforms • Mobile and email communication
Frequency of Engagement	• Annually • Throughout the year
Our Response and Actions	• Our commitment to fair procurement practices is unwavering, ensuring transparency in our tendering processes for suppliers. We keep our suppliers well-informed about our current business standing and maintain stringent health and safety controls to uphold a secure working environment. • We prioritise the welfare of the local communities surrounding our projects and operations by keeping them informed and encouraging their active participation in our community engagement efforts. • We adopt a proactive and responsible approach to environmental challenges, with a strong emphasis on safety. • In tandem, we actively address health and safety concerns, respond to grievances, and welcome feedback from the communities we serve.

Our Stakeholders	Media
Engagement Methods and Channels	• Advertising • Community programmes • Face-to-face and virtual meetings • Press releases • Company website • Mobile and email communication • Social gatherings
Frequency of Engagement	• Annually
Our Response and Actions	• We engage with the media, ensuring prompt and clear communication on our business direction, impact, and financial performance. This approach extends our reach beyond immediate stakeholders, fostering meaningful connections with the broader public.

Our Stakeholders	Board of Directors
Engagement Methods and Channels	• Surveys • Annual general meetings • Company reports • Compliance with stock exchange requirements • Board and Board Committee meetings • Evaluation forms • Trainings
Frequency of Engagement	• Quarterly • Annually
Our Response and Actions	• We collaborate with our Board of Directors to uphold and enhance sound corporate governance practices throughout the Group. • This commitment serves to protect the interests of shareholders and various stakeholders, including employees, customers, suppliers, society, and the communities where the Group operates.

Our Stakeholders	Banks and Financiers
Engagement Methods and Channels	• Email communication • Face-to-face meeting • Social gatherings • Virtual meetings
Frequency of Engagement	• Annually
Our Response and Actions	• We communicate with banks and financiers, providing them with insights into our business strategies, financial performance, updates on projects, and business operations.

Material Matters

Materiality Process

Our materiality assessment process is a structured and dynamic approach designed to identify, prioritise, and address sustainability matters that are most significant to our business and stakeholders. To ensure relevancy of material matters to the Group, we undertook a comprehensive Materiality Assessment in FY2024 to capture the diverse views of our key stakeholders.

Step 1

Identification of Material Topics

Key topics were identified through a comprehensive review of ESG standards and industry trends including:

- Bursa listing requirements on sustainability reporting (11 common material topics)
- GRI Topic Standards
- Sustainability Accounting Standards Board ("SASB")
- UN Sustainable Development Goals ("UN SDGs")
- Global analyst reports such as CDP, FTSE ESG Index and MSCI ESG Index

Step 2

Engaging Our Stakeholders

Stakeholder engagement is integral to our process, capturing diverse perspectives through targeted consultations. In our most recent assessment, we:

- captured more than 500 internal and external stakeholders' views via online surveys
- conducted a materiality assessment workshop with Taliworks' senior management to prioritise the material matters

Step 3

Prioritisation and Validation of Results

To ensure accuracy and alignment, the identified material matters were reviewed and validated by our Sustainability Steering Committee.

Materiality Matrix

Based on the materiality assessment exercise, we have identified 12 material matters as priorities for 2024.

Highlighting evolving matters across the organisation's five business divisions, our 2024 Materiality Matrix reveals three material topics as our top priority, namely:

- **Prioritising Workplace Safety and Health**, emphasising the organisation's strong commitment to employee and contractor safety, being fully cognisant of our business division's business natures.
- **Data and Cybersecurity**, reflecting the critical importance of ethical governance and safeguarding data integrity in today's digital landscape.
- **Resilient and Responsible Business**, highlighting stakeholder expectations of robust governance and sustainable practices to address market volatility, regulatory changes, and long-term value creation.

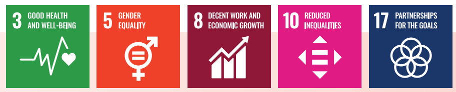
SUSTAINABILITY STATEMENT

Our 2024 Material Topics

Governance	Description
1 **Resilient and Responsible Business**	The Group is dedicated to upholding ethical business conduct standards and ensuring integrity, transparency, and accountability across all levels of our operations. We prioritise regulatory and environmental compliance and regularly implement measures to ensure holistic adherence to regulatory, standards, and frameworks requirements.
2 **Digitalisation and Innovation**	Taliworks focuses on digitalisation and innovation to adapt to industry shifts, integrating emerging technologies for operational efficiency and sustainability, while also ensuring robust cybersecurity measures. Through Research and Development efforts, we aim to address challenges such as wastewater micro pollutants, driving innovative sustainable solutions, and delivering value while safeguarding stakeholder data privacy.
3 **Data and Cybersecurity**	We place a strong emphasis on robust cybersecurity measures to safeguard customer privacy and protect sensitive data. Implementing operational, technical, and physical security measures is crucial to ensuring the integrity, confidentiality, and availability of critical information, thereby preventing breaches and losses of customer data.

Environmental	Description
4 **Climate Change and Emissions Management**	Taliworks is committed to proactively addressing the challenges of climate change by reducing greenhouse gas ("GHG") emissions and mitigating associated risks. Through investment in initiatives to monitor, manage, and mitigate our environmental footprint, we are continuously working towards our carbon reduction targets and the nation's Net-Zero goal while ensuring resilience against future climate impacts.
5 **Energy Transition and Innovation**	Paving the way to a sustainable future, we are committed to driving the energy transition in the country through our Renewable Energy division. The establishment of this business division marks our commitment to increase access to clean energy via our contribution of solar-generated electricity to the national grid. Through innovation and investment, Taliworks is journeying to increase our renewable energy generation capacity.
6 **Circular Economy**	Taliworks is dedicated to embracing the transition towards a circular economy by actively reducing waste generation and optimising waste recovery processes within our operations. The implementation of resource recovery initiatives is closely integrated into our Water Treatment and Supply and Waste Management business divisions' strategic operations. This dedication underpins our initiatives to champion environmental sustainability and enhance resource efficiency, ensuring our operations remain aligned with evolving circular economy principles.

Environmental		Description
7	**Protecting the Natural Environment**	Taliworks understands the nature of our business poses a threat to the natural environment and is committed to minimising our environmental footprint and advocating for the preservation and protection of ecosystems surrounding our operations. Our commitment towards responsible business operations and proper waste and water management via dedicated initiatives and measures ensures the reduction of pollutants discharged and minimisation of ecological destruction.
8	**Supply Chain Sustainability**	Taliworks is committed to prioritising a sustainable supply chain through transparent local procurement practices. We aim to drive economic growth and reduce carbon emissions by fostering trust-based relationships and prioritising local service providers. Our strategy on supply chain resilience focuses on minimising environmental and social impacts, aligning with our corporate policies. We strive to advocate responsible procurement, rigorously evaluate suppliers' impacts, and integrate digitalisation to enhance sustainability across our operations.



Social		Description
9	**Prioritising Workplace Safety and Health**	At Taliworks, ensuring the safety and well-being of our employees remains a top priority. We recognise that fostering a safe and healthy work environment is not only a fundamental obligation but also a critical element in nurturing a resilient and productive workforce. Through continuous improvements in processes and proactive measures set in place, we are dedicated to upholding high standards of workplace safety and health, as well as continuously safeguarding the welfare of our employees.
10	**Engaging Our People**	Our employees are our greatest asset, and we are committed to fostering a work environment that empowers, engages, and inspires our people to achieve their full potential. This dedication extends beyond traditional employment practices, embracing a holistic approach to employee well-being and development.
11	**Community Relations**	We aim to build strong community relationships, understanding their pivotal role in our success. Our commitment goes beyond financial aid, aiming to uplift the underprivileged and marginalised, ensuring a sustainable future for all where no one is left behind.
12	**Customer and Stakeholder Management**	We are committed to promptly addressing stakeholder feedback, queries, and complaints as well as incorporating their feedback into our decision-making processes to uphold our high service standards. By prioritising effective communication and collaboration with both customers and stakeholders, we aim to enhance satisfaction levels and drive sustainable business growth.

IMPACT POSITIVE ENVIRONMENTAL PRACTICES

A GREENER FUTURE IN FOCUS

Taliworks is steadfast in its responsibility to environmental stewardship, spearheading initiatives that align with our vision of a sustainable future. We have integrated comprehensive sustainable practices across our operations to mitigate our environmental impact and enhance ecological benefits. Our approach is holistic, encompassing innovative water management practices, the implementation of renewable energy sources, and the adoption of sustainable procurement policies. These efforts are pivotal as we aim to not only comply with environmental regulations but to set a standard for responsible corporate conduct in Malaysia. This chapter will explore how our targeted initiatives contribute to environmental sustainability, detailing our strategies and achievements in reducing carbon footprints, enhancing resource efficiency, and fostering biodiversity.

Taliworks Decarbonisation Roadmap

Driving Sustainable Infrastructure for a Greener Future

Taliworks is committed to reducing its carbon footprint and aligning with Malaysia's National Energy Transition Roadmap ("NETR") and global climate goals. Our journey towards Net Zero is structured in three phases, each focusing on deepening our sustainability impact, integrating low-carbon innovations, and advancing responsible environmental stewardship.

Phase 1: Foundation for Sustainability (2017-2022)

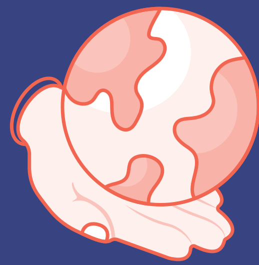
The first phase laid the groundwork for our decarbonisation strategy by embedding ESG principles into our operations. Key milestones included:

- Adoption of a sustainability framework to guide long-term strategy
- Investments in renewable energy, with the acquisition of solar assets
- Implementation of energy efficiency initiatives across key infrastructure
- Strengthening waste management practices through strategic partnerships
- Enhancing governance and risk management structures to ensure compliance with evolving sustainability regulations

These foundational efforts provided a strong ESG baseline, enabling us to measure impact and refine our sustainability objectives for the next phase.

2017

2022



The Road Ahead

As 2024 marks the penultimate year of our Sustainability Framework, we are actively refining our sustainability ambitions. Moving forward, Taliworks will refresh its framework, ensuring alignment with Malaysia's Net Zero 2050 aspirations, industry best practices, and stakeholder expectations. This will solidify our position as a responsible infrastructure leader, dedicated to shaping a greener and more resilient future.

Phase 2:
Scaling Decarbonisation and Circular Economy (2023-2030)

As we accelerate our decarbonisation efforts, this phase prioritises reducing Scope 1 and Scope 2 emissions while expanding our focus on Scope 3 emissions across our value chain. Our strategy includes:

- *Enhancing GHG Monitoring & Reduction* – Expanding emissions tracking and reducing carbon intensity in our core businesses.
- *Renewable Energy Expansion* – Increasing investment in solar capacity and exploring potential integration of energy storage solutions.
- *Circular Economy Practices* – Strengthening waste-to-resource initiatives, improving recycling rates, and adopting sustainable procurement strategies.
- *Water & Resource Efficiency* – Enhancing treatment plant efficiency and promoting water conservation measures to reduce environmental impact.
- *Digital Transformation for Sustainability* – Leveraging data-driven monitoring systems to optimise energy use and operational sustainability.

By 2030, we aim to streamline our emissions reduction strategies, consolidating short- and medium-term pathways, in line with Malaysia's climate commitments and our internal sustainability targets.

Phase 3:
Achieving Net Zero and Beyond (2030-2050)

This final phase is dedicated to driving full decarbonisation across all business operations while adopting cutting-edge technologies and industry best practices. Key focus areas will include:

- *Low Carbon Infrastructure* – Transitioning to lower reliance on conventional energy and integrating renewable energy into the Group's energy consumption mix along with low-carbon technologies.
- *Advanced Waste & Water Management* – Implementing innovative treatment solutions to minimise environmental footprint.
- *Net Zero Transport & Logistics* – Exploring low-carbon mobility solutions and sustainable supply chain management.
- *Biodiversity & Climate Adaptation* – Engaging in ecosystem restoration projects and nature-based climate solutions.

As we head towards 2050, Taliworks aims to be at the forefront of sustainable infrastructure, achieving Net Zero emissions while delivering long-term value to stakeholders and supporting national and global sustainability goals.

2030

2050

SUSTAINABILITY STATEMENT

Our Commitments and Goals

1 Energy and Resource Efficiency
Improve water and energy consumption of our operations by increasing efficiency and the use of diversified energy sources.

2 Towards Emissions Management
Continually innovate to manage emissions from our operations.

3 Minimise Waste
Generating less waste at source and increasing recycling efforts.

4 Towards Consumption of Low Environmental Impact Materials
Increase use of low environmental impact materials within our operations.

5 Minimise Impacts on Our Environmental Surroundings
Minimising the impact of our operations on the surrounding ecosystems.

Summary of Progress

Total Emissions
156,952 tCO_2e
(FY2023: 117,417* tCO_2e)

Total Scope 1 & 2

Group
94 tCO_2e

Engineering and Construction
315 tCO_2e
(FY2023: 271* tCO_2e)

Water Treatment and Supply
110,974 tCO_2e
(FY2023: 84,690 tCO_2e)

Waste Management
31,773 tCO_2e
(FY2023: 29,828 tCO_2e)

Highway Toll Concessionaire, Operations and Maintenance Operator
3,434 tCO_2e
(FY2023: 2,567 tCO_2e)

Renewable Energy
110 tCO_2e
(FY2023: 61 tCO_2e)

Total Scope 3 - Business Travel
80 tCO_2e

Total Scope 3 - Employee Commute
10,172 tCO_2e

Notes:
- Taliworks' comprehensive emissions tracking now incorporates Group-level emissions, effective as of FY2024.
- * Figures have been restated to reflect the accurate data.

Summary of Progress

Total Waste Generated
30,173 tonnes
(FY2023: 32,116* tonnes)

Group
7 tonnes

Engineering and Construction
7 tonnes
(FY2023: 9.3* tonnes)

Water Treatment and Supply
29,243 tonnes
(FY2023: 32,067 tonnes)

Waste Management
3 tonnes
(FY2023: 2 tonnes)

Highway Toll Concessionaire, Operations and Maintenance Operator
29 tonnes
(FY2023: 38 tonnes)

Renewable Energy
884 tonnes

Total Waste Diverted from Landfill
890 tonnes
(FY2023: 6 tonnes)

Total Waste Directed to Landfill
29,283 tonnes
(FY2023: 32,110* tonnes)

Notes:
- Our Waste Management division only include domestic waste.
- Taliworks' waste management tracking now integrates both Group-level figures and data from the Renewable Energy division, effective as of FY2024.

* Figures have been restated to reflect the accurate data.

Total Water Consumption
125,858 m^3
(FY2023: 116,948 m^3)

Group
817 m^3
(FY2023: 711 m^3)

Engineering and Construction
1,774 m^3
(FY2023: 298 m^3)

Water Treatment and Supply
720 m^3
(FY2023: 667 m^3)

Waste Management
96,940 m^3
(FY2023: 91,205 m^3)

Highway Toll Concessionaire, Operations and Maintenance Operator
24,837 m^3
(FY2023: 23,495 m^3)

Renewable Energy
770 m^3
(FY2023: 572 m^3)

WATER TREATMENT AND SUPPLY

The Water Treatment and Supply division is dedicated to ensuring the sustainability of water resources while minimising our environmental footprint. Our approach integrates innovative water conservation techniques and stringent monitoring of our impact on the ecosystem, reflecting our shift towards responsible water stewardship and environmental preservation.

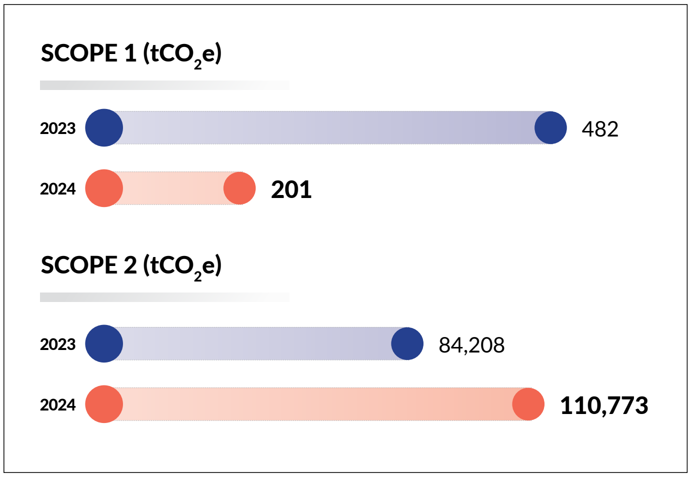
Greenhouse Gas Emissions

Monitoring Our Emissions

As a key player in water treatment and supply, we recognise the importance of managing emissions from our operations to minimise environmental impact. Our facilities, including treatment plants and distribution systems, require significant energy input, contributing to Scope 1 and Scope 2 emissions. To address this, we continuously monitor and assess our emissions footprint, implementing energy-efficient technologies and optimising operational processes to GHG emissions.

We have adopted real-time monitoring systems to track emissions from fuel consumption in our fleet and equipment, as well as electricity usage at our treatment plants. Additionally, we are exploring the integration of renewable energy sources to further decarbonise our operations. By prioritising emissions monitoring and reduction, we ensure compliance with environmental regulations while aligning with national sustainability goals.

Trends and Insights



Over the past year, we have seen a mixed trend in our emissions. Scope 1 emissions dropped by nearly 60%, reflecting improved operational efficiencies and a notable reduction in direct emissions. However, Scope 2 emissions rose by approximately 32%, despite the implementation of electricity-saving measures. This increase can be attributed to the increase in the emission factor in FY2024. These findings underscore the importance of refining our strategies to further mitigate indirect emissions. The division has also begun tracking its Scope 3 emissions this year, beginning with the tracking of emissions from Category 6 (Business Travel) and Category 7 (Employee Commuting), and is consolidated by the Group.

Resource Efficiency and Management

At the Water Treatment and Supply division, we prioritise the sustainable management of water resources, leveraging technology to optimise water usage and reduce waste. This section explores our strategic initiatives, from advanced water recycling systems to innovative conservation practices, which collectively help us achieve remarkable water efficiency improvements while supporting ecosystem health.

	2022	2023	2024
Electricity Consumption	576,695 GJ	551,177 GJ	**515,223 GJ**
Fuel Consumption *(Petrol)*	-	398 GJ	**482 GJ**
Fuel Consumption *(Diesel)*	-	29,112 GJ	**10,442 GJ**
Water Consumption	1,365 m^3	667 m^3	**720 m^3**

The Water Treatment and Supply division of Taliworks is dedicated to enhancing energy efficiency and reducing climate impact through a series of targeted sustainability initiatives. Electricity expenditure has been significantly reduced, accounting for 45% of total costs in 2024, down from 54% the previous year, with a unit cost decrease of 2.7% from RM0.0889 per m^3 in 2023 to RM0.0865 per m^3 in 2024. These savings are the result of enhanced equipment efficiency, including the refurbishment of large pumps and motors, controlled pumping regimes, and a transition to more energy-efficient air conditioning systems which utilise R32 refrigerant, known for its lower global warming potential. A Registered Energy Efficiency Manager ("REEM") has been appointed to oversee these energy management programmes, ensuring continuous improvement.

In efforts to decrease reliance of our sites on conventional energy sources, SSP1 is being fitted with solar panels, seamlessly integrating renewable energy into our operations. To that end, we have also modernised our vehicle fleet, incorporating hybrid and electric vehicles to minimise transportation emissions. These efforts are complemented by recycling programmes and tree planting initiatives, which together have achieved an estimated carbon sequestration of approximately 42 tCO_2e in 2024.

In a focused effort to optimise resource use, our division has implemented strategic pump scheduling and advanced water circularity measures. These measures not only conserve water but also improve the quality of waste output, making it suitable for agricultural use. This proactive approach helps to lower energy consumption and operational costs, while producing dryer, nutrient-rich residuals that benefit local agricultural practices.

Our rigorous maintenance and asset management protocols ensure that all water treatment plants and equipment operate optimally, consistently delivering high-quality potable water that meets the Ministry of Health's standards. This approach underscores our determination in driving environmental stewardship and community support, affirming our role as a leader in sustainable water management.

Responsible Waste Management Practices

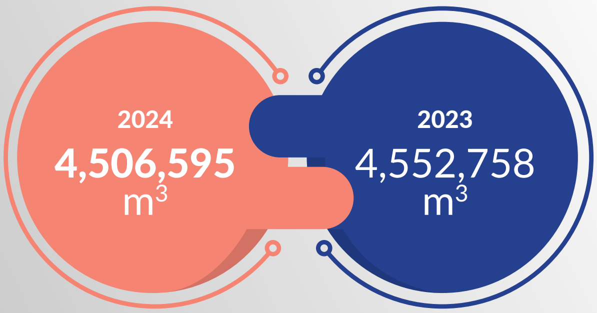
In the Water Treatment and Supply division, our approach to waste and effluent management is founded on preserving water quality and ensuring sustainable water use. We implement advanced treatment processes and recycling practices that not only comply with environmental regulations but also set a benchmark for the industry. Our proactive measures aim to minimise environmental impact while enhancing water conservation efforts.

Our waste management measures include the tracking of both domestic and operational waste to better understand our inputs and outputs as well as strategically implement targeted measures to reduce our environmental footprint.

	2023 (tonnes)	2024 (tonnes)
Total Waste Collected	32,067	**29,243**
Total Waste Directed to Landfill (Domestic + Operations)	32,066	**29,243**
Total Waste Diverted from Landfill (Domestic + Operations)	1.20	**0.50**

Since September 2024, our proactive environmental management strategies have included the continuous operation of the recycled water system through reverse pumping at the Flood Retention Pond ("FRP"). Additionally, modifications to the weir flow at effluent discharge points—specifically raising the weirs to better control the discharge—have significantly decreased the volume of effluent released into the environment. Despite these changes being implemented late in the year, they have led to a substantial year-on-year reduction in effluent discharge by over 34%, underscoring our efforts in reducing our ecological footprint and enhancing sustainability efforts.

TOTAL EFFLUENT AND LEACHATE DISCHARGED FROM TREATMENT PLANT ("ETP")



In alignment with the Department of Environment's 'Standard B' ratings, our water treatment plants ensure that discharged effluents meet stringent quality standards. We have adopted Polyaluminium Chloride ("PAC") in place of alum, reducing sludge production and enhancing our environmental compliance efforts. All waste from our facilities is responsibly handled, with residuals from the FY2024 operations disposed of at certified locations.

Despite a rise in effluent volume due to process optimisations and increased water source turbidity, our commitment to environmental protection remains steadfast. We are actively developing a mechanical dewatering plant at the SSP1 site to better manage and recycle water and residuals, with the development phase set to conclude by FY2026. This initiative is part of our broader strategy to uphold community and environmental well-being while adhering to all local regulatory standards.

	2022	2023	2024
Water Treatment Residual Generated (MT)	34,156	33,221	**29,243**
Yearly Averaged Raw Water Turbidity (NTU)	103	100	**87**
Treated effluent discharged to stream (m^3)	1,222,429	4,552,758	**4,506,595**
Total waste and residue reused (m^3)	5,362,957	83,810	**2,073,288**

Case Study

Innovating Waste: Transforming Sludge into Agricultural Gold

Overview:
The "Sludge to Pre-Carbonised Material Initiative,"spearheaded by the Water Treatment and Supply division and Universiti Teknologi MARA ("UITM") over an eight-month period, has redefined waste management practices in the agricultural sector. This groundbreaking project demonstrates how hazardous sludge waste can be converted into valuable pre-carbonised material, setting a precedent for sustainable industrial applications.

Challenge:
Faced with the dual challenges of managing large volumes of sludge waste and the high costs associated with disposal, the initiative aimed to not only mitigate these issues but also create a profitable, eco-friendly solution.

Implementation:
The project utilised advanced microwave non-destructive testing ("MNDT") methods and MATLAB simulations to optimise the conversion process. The research focused on achieving the right temperature and composition to transform sludge into a carbon-rich material suitable for agricultural use. The collaborative efforts of UITM project team members and the Water Treatment and Supply division were instrumental in navigating the project's complex technical landscape.

Impact:
Successful conversion of 5-10% of waste into activated carbon, significantly reducing the volume of hazardous waste.

Sustainability and Compliance:
This initiative aligns perfectly with the Department of Environment ("DOE")'s regulations and the company's commitment to ESG goals. By reducing landfill use and transforming waste into a resource, the project supports sustainable waste management practices and demonstrates compliance with stringent environmental standards.

Lessons Learned:
The key takeaway from this project is the potential of water treatment residuals to be repurposed effectively, supporting a cradle-to-cradle approach in industrial waste management. This initiative has paved the way for similar projects, recommending a focus on technological innovation and multi-disciplinary collaboration for successful implementation.

Caring for Our Surrounding Environment

As part of our approach to environmental stewardship, we go beyond our core operations to actively restore and protect natural ecosystems. In collaboration with Majlis Perbandaran Kuala Selangor, Persatuan Pendayung, and UNISEL, we are supporting firefly conservation by repopulating the mangrove ecosystem in Kg. Kuantan with Pokok Berembang *(Sonneratia caseolaris)*, the primary habitat for fireflies. This initiative not only preserves biodiversity and maintains this unique natural attraction but also restores habitats, improves water quality, prevents erosion, and sequesters carbon. Through our Tree Planting 2.0 Programme, we have planted 100 Pokok Berembang trees, reinforcing the role of mangroves as a vital firefly sanctuary.

Additionally, our efforts include releasing yellow catfish and freshwater prawn seedlings into local rivers to restore populations, boost local fisheries, and improve ecosystem balance, complemented by river cleaning activities to further enhance water quality. Looking ahead, we plan to expand these initiatives by introducing sago tree planting, further strengthening our contribution to local ecosystem conservation.

HIGHWAY TOLL CONCESSIONAIRE, OPERATIONS AND MAINTENANCE OPERATOR

The Highway and Toll division is at the forefront of implementing eco-friendly practices to reduce the environmental impact of our road and infrastructure projects. Through proactive management of emissions, resource efficiency, and careful environmental care, we aim to harmonise our operations with the natural surroundings and contribute positively to the regions we serve.

Greenhouse Gas Emissions

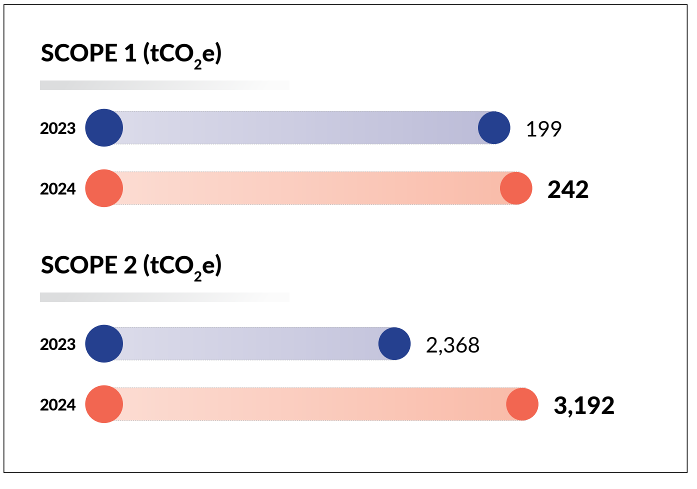
Monitoring Our Emissions

As part of our efforts in supporting environmental sustainability, our Highway and Toll division actively monitors and manages emissions across our operations. Recognising the impact of vehicular traffic and operational activities on air quality and carbon emissions, we have implemented a structured approach to tracking and analysing our GHG emissions.

We continuously measure Scope 1 emissions, which include direct emissions from our company-owned vehicles and domestic operations, ensuring compliance with regulatory standards. Scope 2 emissions, primarily from electricity consumption at our toll plazas and operational offices, are closely monitored, with energy-saving measures in place to reduce overall usage. Additionally, we have begun assessing Scope 3 emissions, focusing on indirect emissions from Category 6 (Business Travel) and Category 7 (Employee Commuting), which has been consolidated by the Group.

Our Highway and Toll division has completed a thorough emissions analysis of fuel combustion from Generator Sets and sewage treatment plants ("STPs"), ensuring compliance with Malaysian Highway Authority ("MHA") and DOE regulations. By measuring emissions and identifying improvements, we have enhanced efficiency and reinforced our commitment to reducing GHG emissions for a low-carbon future.

Trends and Insights



Over the past year, our Highway and Toll division recorded an overall rise in emissions, with Scope 1 increasing by about 22% and Scope 2 by approximately 35%. This upward trend occurred despite the installation of solar panels and retrofitting of LED lighting along our highways—both aimed at curbing electricity consumption and reducing carbon output. Preliminary insights suggest that factors such as the increase in electricity emission factor as well as the increase of vehicles usage for the Traffic and Safety as well as the Maintenance units have outweighed the anticipated benefits of these efficiency measures. Moving forward, we aim to refine our operational strategies, explore additional energy-saving opportunities, and further leverage renewable solutions to help mitigate these rising emission levels.

Resource Efficiency and Management

The Highway and Toll division is committed to enhancing resource efficiency across our extensive network of roads and facilities. By integrating smart technologies and comprehensive management systems, we focus on reducing energy consumption and minimising the environmental impact of our operations. This section details our efforts in energy conservation and innovative infrastructure solutions that contribute to sustainable mobility.

	2022	2023	2024
Electricity Consumption	14,995 GJ	15,499 GJ	**14,848 GJ**
Renewable Energy Consumption	-	197 GJ	**435 GJ**
Fuel Consumption *(Petrol)*	-	445 GJ	**787 GJ**
Fuel Consumption *(Diesel)*	-	10,134 GJ	**11,791 GJ**
Water Consumption	31,641 m^3	23,495 m^3	**24,837 m^3**

In 2024, we successfully extended solar panel installations to the remaining three toll plazas, building on our earlier efforts at MOC Plaza which now sees a renewable energy consumption of 435 GJ, an increase of 120% from 2023. With solar panels now operating across all toll plazas, we have achieved 20% total electricity cost savings this year, reinforcing our commitment to energy efficiency and sustainability under the myGHI Silver status.

Supplemented by these advancements, electricity consumption decreased at Grand Sepadu and Grand Saga compared to the previous year. We continue to implement energy management measures, including smart metering and efficiency enhancements, to optimise consumption.

Case Study

Illuminating Sustainability: LED Retrofitting at Grand Sepadu

Overview:
Grand Sepadu embarked on a strategic initiative to retrofit existing highways and building lighting systems with LED technology. This year-long project, driven by the Maintenance and Engineering, Operations, and Business Development and Corporate Affairs departments, aimed to enhance energy efficiency and promote environmental stewardship.

Challenge:
The primary challenges faced were the high upfront installation costs and stringent authority requirements. These were identified through risk assessments and aligned with the My Green Highway Index ("MyGHI") by the MHA, reflecting a broader commitment to greener highway practices.

Implementation:
The process began by identifying critical lighting needs, focusing on hotspots and dark areas that required improved illumination. Special budgets were allocated to meet authority standards without compromising the project's financial viability.

Impact:
Achieved an average of 38% savings in energy consumption across mainline, interchanges, and building lighting, significantly reducing operational costs.

Sustainability and Compliance:
This initiative aligns with ESG goals and regulatory frameworks, emphasising Grand Sepadu's alignment to sustainable operational practices and energy conservation.

Lessons Learned:
Key outcomes include not only energy and cost savings but also a positive response from both the MHA and road users, highlighting the benefits of transitioning to more sustainable infrastructure.

Future Directions:
Encouraged by the success of the LED retrofit, similar projects are recommended for road service areas ("RSAs") and interchanges to further extend the environmental and economic benefits of LED lighting.

Responsible Waste Management Practices

Within the Highway and Toll division, effective waste and effluent management is crucial to maintaining the ecological balance along our road networks. We focus on reducing roadside pollution and managing runoff in a manner that protects the surrounding landscapes and communities. Our strategies include the use of innovative filtration systems and regular maintenance checks to prevent environmental degradation.

	2023 (tonnes)		2024 (tonnes)	
	Grand Saga	Grand Sepadu	Grand Saga	Grand Sepadu
Total Waste Generated	26.6	11.6	**26.7**	**2.3**
Total Waste Directed to Landfill (Domestic + Operations)	26.2	11.3	**26.3**	**2.0**
Total Waste Diverted from Landfill (Domestic + Operations)	0.4	0.3	**0.4**	**0.3**

At both the Grand Saga and Grand Sepadu highways, we maintain an effective maintenance routine for our STPs, ensuring monthly cleanings and effluent checks at key locations, including Plaza Batu 9, Plaza Batu 11, RSA, and headquarters. Additionally, annual water effluent analyses are performed at RSAs along the Grand Saga highway and results are meticulously compiled and reported to the MHA, adhering strictly to the DOE's guidelines.

For the Grand Sepadu highway, STPs at the RSAs receive monthly attention, while those at the toll plazas are serviced quarterly. Our commitment to environmental compliance is further evidenced by the annual effluent reports we submit, ensuring all discharges meet regulatory standards.

In FY2024, the total domestic and operations waste generated reduced 24% to 29 tonnes, reflecting our ongoing efforts to manage and minimise environmental impact.

Noise Management

Recognising the potential for noise pollution along our highways, we continuously invest in infrastructure and maintenance to mitigate its impact on surrounding communities. A key initiative includes the installation of 900-metre concrete noise barriers along the Grand Saga Highway, alongside regular noise monitoring to ensure compliance with regulatory limits. These efforts have effectively addressed community concerns, resulting in zero noise complaints in recent years, including this year.

In FY2024, we allocated over RM1.6 million for Grand Saga and over RM3.6 million for Grand Sepadu towards pavement rehabilitation. This annual maintenance, aligned with MHA requirements, replaces worn-out surfaces that generate excessive friction and noise. Using advanced pavement scanning, we identify affected areas, mill them to the appropriate depth, and resurface with hot mix asphalt, enhancing both driving comfort and community well-being.

ENGINEERING AND CONSTRUCTION

In the Engineering and Construction division, environmental sustainability is embedded in every project from inception to completion. We prioritise reducing our greenhouse gas emissions, optimising resource use, and implementing low-impact purchasing practices to not only meet but exceed environmental standards, ensuring our projects are both innovative and sustainable.

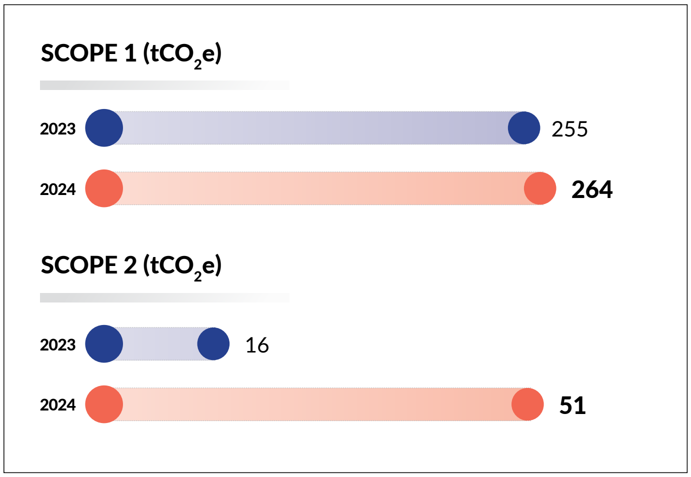
Greenhouse Gas Emissions

Monitoring Our Emissions

Our Engineering and Construction division is committed to minimising its environmental footprint by systematically monitoring and managing emissions across project sites and operational activities. Given the energy-intensive nature of construction, we prioritise tracking and mitigating GHG emissions to align with industry best practices and regulatory requirements.

We actively measure Scope 1 emissions, focusing on fuel consumption from construction machinery, company-owned vehicles, and on-site generators. Our Scope 2 emissions are monitored through electricity usage across project sites, offices, and supporting facilities, ensuring energy efficiency in daily operations. Additionally, we are progressively evaluating Scope 3 emissions, covering emissions from Category 6 (Business Travel) and Category 7 (Employee Commuting) which are then consolidated by the Group.

Trends and Insights



Over the past year, our Engineering and Construction division recorded a marked increase in emissions, with Scope 1 rising by 3% and Scope 2 by over 200%. This surge is primarily attributed to intensified construction activities at the RSP2 and RSP3 project sites, which naturally drove higher fuel consumption and electricity needs. As these projects progress, we remain committed to incorporating sustainable construction practices, implementing energy-efficient technologies, and continually seeking ways to mitigate and manage emissions growth.

SUSTAINABILITY STATEMENT

Case Study

Innovating for Sustainability: Composite Concrete Initiative

Overview:
The "Composite Concrete Initiative," spearheaded by the Engineering and Construction division, represents a strategic shift towards sustainable construction practices. By integrating fly ash into concrete, this initiative aims to reduce the environmental impact of cement production, enhancing both the performance and sustainability of construction materials.

Challenge:
The construction industry faces increasing pressure from regulatory bodies, local authorities, and consumers to reduce its carbon footprint and adopt more eco-friendly practices. The use of traditional cement, with its high carbon emissions, has become a critical concern.

Implementation:
The initiative began with a thorough initial study to assess the benefits and challenges of using fly ash in concrete. A pilot project was selected for a small-scale trial to optimise the mix design, focusing on maximising the use of fly ash without compromising strength, durability, or workability. Key tools used included laboratory testing machines for concrete strength and Microsoft Excel for data analysis.

Strategic Approach:
Collaboration with concrete suppliers and project consultants was essential to develop and verify a mix design that met project specifications and sustainability goals. The strategy also involved staying updated with local and global standards for using fly ash in concrete.

Anticipated Impact:

- **Environmental:** Reduction in carbon emissions and decreased reliance on landfills for fly ash disposal.
- **Economic:** Lower material costs and reduced need for maintenance due to improved durability of the concrete.

Current Status:
This initiative is in the planning stage, with detailed results on emissions reduction and other quantitative measures expected upon implementation.

Forward-Looking Statement:
Once fully implemented, this project aims to set a benchmark for sustainable practices in the construction industry, offering a replicable model for others to follow.

Resource Efficiency and Management

Resource efficiency is integral to our project planning and execution. We employ sustainable construction methods and materials that significantly enhance the efficiency of energy and water use on sites. Here, we outline the strategies that enable us to build responsibly and maintain industry-leading standards in environmental stewardship.

	2022	2023	2024
Electricity Consumption	-	103 GJ	**237 GJ**
Fuel Consumption *(Petrol)*	-	4,250 GJ	**2,292 GJ**
Fuel Consumption *(Diesel)*	-	7,489 GJ	**6,942 GJ**
Water Consumption	142 m^3	298 m^3	**1,774 m^3**

In 2024, our resource metrics experienced an uptick, directly attributed to escalated activities at our RSP2 and RSP3 sites. As these projects expand, the use of heavy machinery intensifies, naturally leading to increased fuel and electricity consumption. Specifically, RSP2 required extensive pipe jacking tests, which significantly raised our water usage. This rise in resource use is a direct consequence of our commitment to advancing these critical infrastructure projects, reflecting our strategic focus on enhancing operational capabilities and long-term asset value.

Responsible Waste Management Practices

In the Engineering and Construction division, we address waste and effluent management with strategic controls and sustainable construction practices. By integrating eco-friendly materials and waste reduction strategies, we aim to lessen our environmental footprint during construction projects and in the disposal of construction debris, ensuring compliance with strict environmental standards.

	2023	2024
Total Waste Collected	9.3 tonnes	**7.1 tonnes**
Total Waste Directed to Landfill (Domestic + Operations)	9.3 tonnes	**7.1 tonnes**
Total Waste Diverted from Landfill (Domestic + Operations)	0 tonnes	**0 tonnes**

Since 2018, we have aimed to keep construction waste from major materials below 5% by optimising resource use, such as refining steel bar layouts to reduce waste without compromising integrity. Effluent and surface runoff are controlled through silt fences, slope coverings, and monitored stormwater discharge to meet DOE and client standards.

To prevent siltation in natural waterways, temporary sediment traps or basins are installed before bulk earthwork, ensuring compliance with regulatory approvals. Our waste tracking, initiated in FY2023, continues to enhance visibility across projects. At RSP3, early-stage construction has kept landfill waste low through material reuse, reinforcing our approach to responsible construction practices.

Caring For Our Surrounding Environment

Our division actively monitors noise, air quality, and stormwater runoff to ensure compliance with our Environmental Management Plan ("EMP"). Regular assessments, led by an Environmental Officer, keep operations aligned with regulatory standards.

For RSP2 and RSP3, we engaged an independent consultant for environmental audits and reports. Cognisant of our impact on biodiversity, we have had an arborist assess vegetation at Taman Rakyat, Bukit Lipat, Kajang to support local conservation efforts, under RSP3. These measures reflect our commitment to responsible and sustainable construction.

Our EMP process is as follows:

STEP 1 — Pre-construction

Establishment of baselines, assessment of areas of potential impact and determination of placement of controls are facilitated by conducting site surveys

STEP 2 — Construction

The EMP ensures site supervision, control management and monitoring of parameters

STEP 3 — Completion

Debris and construction material waste removal through thorough cleaning of site. Additionally, a report of environmental considerations and results of the parameters monitored is provided through the Project Closure Audit

STEP 4 — Handover

Final environmental audit of completed works to ensure compliance with environmental standards stipulated in statute or contract

Noise Management

Understanding the impact of machinery and equipment on nearby communities, we prioritise responsible noise and vibration management across our construction sites. To ensure compliance, we have installed monitoring stations as per our EMP, capturing 24-hour readings at 15-minute intervals. These measurements, taken periodically, help us stay within regulated limits and proactively address any concerns.

Our commitment to minimising disruption is reflected in FY2024, where no environmental or noise complaints were recorded from our projects, reinforcing our dedication to sustainable and community-conscious construction.

WASTE MANAGEMENT

The Waste Management division is committed to advancing sustainable waste practices that significantly reduce environmental impact. By focusing on reducing waste generation and improving waste sorting and recycling processes, we are helping to create a cleaner, more sustainable future for the communities we operate in.

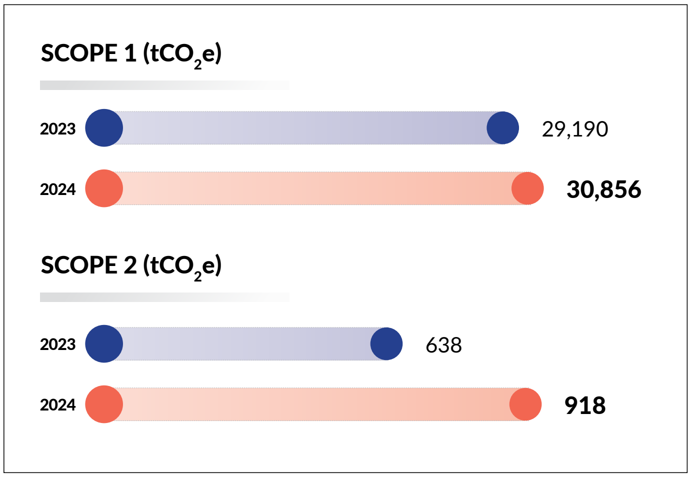
Greenhouse Gas Emissions

Monitoring Our Emissions

As a waste management operator, we recognise our responsibility in minimising emissions from our operations, particularly those generated from fleet activity, waste processing, and landfill management. To this end, we continuously monitor and report our emissions to ensure compliance with environmental regulations while exploring new strategies to further reduce greenhouse gas output.

To mitigate our carbon footprint, we have adopted fuel-efficient vehicle routing, invested in low-emission and alternative fuel vehicles, and implemented landfill gas capture systems where applicable.

Trends and Insights



Over the past year, we have observed a notable upward trend in our emissions data, showing approximately a 7% increase in overall emissions compared to the previous reporting period. This trend is largely attributable to higher Scope 1 emissions, driven by increased operational activity. Analysis reveals that Scope 1 and Scope 2 emissions have increased by 5% and 43% respectively. These insights are crucial for understanding the impact of our sustainability initiatives and for pinpointing areas where additional focus is needed. This year, we have also begun tracking our Scope 3 emissions across Categories 6 (Business Travel) and 7 (Employee Commuting) which is consolidated by the Group. This underscores our culture of continuous improvement and our commitment to better understand and minimise our environmental footprint.

Resource Efficiency and Management

Resource management is at the core of the Waste Management division's operations where we are consistently looking to innovate our practices in waste reduction, recycling, and reusing. This section highlights our comprehensive waste management strategies, including the incorporation of recycling technologies and waste-to-energy initiatives that promote circular economy principles and environmental sustainability.

	2022	2023	2024
Electricity Consumption	4,168 GJ	4,178 GJ	**4,268 GJ**
Fuel Consumption *(Petrol)*	26,956 GJ	827 GJ	**1,483 GJ**
Fuel Consumption *(Diesel)*	1,794,739 GJ	1,905,975 GJ	**1,990,277 GJ**
Water Consumption	141,700 m^3	91,205 m^3	**96,940 m^3**

We prioritise efficient energy, fuel, and water use to minimise environmental impact and enhance operational performance. Electricity-saving measures and route optimisation for our fleet reduce emissions and costs, while fuel-efficient vehicles improve sustainability. We also implement water conservation efforts, including recycling and rainwater harvesting, to minimise freshwater use. Through these initiatives, we ensure responsible resource management in our waste operations. Additionally, to ensure full transparency and accuracy in our reporting, we have re-stated our FY2023 diesel consumption data to accurately reflect our actual consumption.

Responsible Waste Management Practices

Operating across Johor, Melaka, and Negeri Sembilan, our waste management division plays a crucial role in maintaining environmental and public health standards through responsible waste collection, treatment, and disposal. As a key player in these regions, we ensure that waste is managed efficiently and sustainably, aligning with local regulations and community needs. Effective waste management is at the heart of our operations, ensuring that all waste streams are handled in compliance with stringent regulations while promoting sustainable practices.

SUSTAINABILITY STATEMENT

We remain committed to continuous improvement in environmental stewardship, expanding our waste management tracking and reporting from exclusively domestic waste to now include both operational and domestic waste. This broadened scope enhances our ability to assess and mitigate our environmental impact comprehensively, reflecting our proactive approach to sustainable operational practices.

	2023 (tonnes)		2024 (tonnes)	
	Domestic	Operations	Domestic	Operations
Total Waste Collected	1.64	1,687,874	**2.58**	**1,759,985**
Total Waste Directed to Landfill	1.00	1,684,536	**1.97**	**1,753,545**
Total Waste Diverted from Landfill	0.64	3,338	**0.61**	**6,440**

Beyond compliance, we actively promote resource recovery by implementing large-scale recycling initiatives to reduce landfill dependency and maximise material reuse. Our initiatives include the KITARecycle programme which leverages a mobile app to foster community recycling efforts, having engaged over 40,000 participants since its inception. The 3R Troopers promotes the "Reduce, Reuse, Recycle"principles among school-aged children as well as the general public, enhancing environmental responsibility through educational activities. The SAS+1 initiative is an expansion of waste separation efforts, encouraging improved segregation practices at the source to facilitate recycling and reduce landfill waste. Our efforts in waste segregation and recycling have contributed significantly to environmental sustainability, with over 6 million kilograms of recyclable waste collected and separated in FY2024, reinforcing our drive in supporting a circular economy.

State	Initiative	2023 (kg)	2024 (kg)
Johor	KITARecycle	554,474	**957,283**
	3R Troopers	209,654	**25,992**
	SAS + 1	2,087,812	**2,801,556**
	Total	2,751,940	**3,784,830**
Melaka	KITARecycle	203,149	**216,512**
	3R Troopers	8,347	**212**
	SAS + 1	517,128	**828,075**
	Total	728,624	**1,044,799**
Negeri Sembilan	KITARecycle	454,293	**716,305**
	3R Troopers	4,482	**2,529**
	SAS + 1	413,461	**679,134**
	Total	872,236	**1,397,968**

RENEWABLE ENERGY

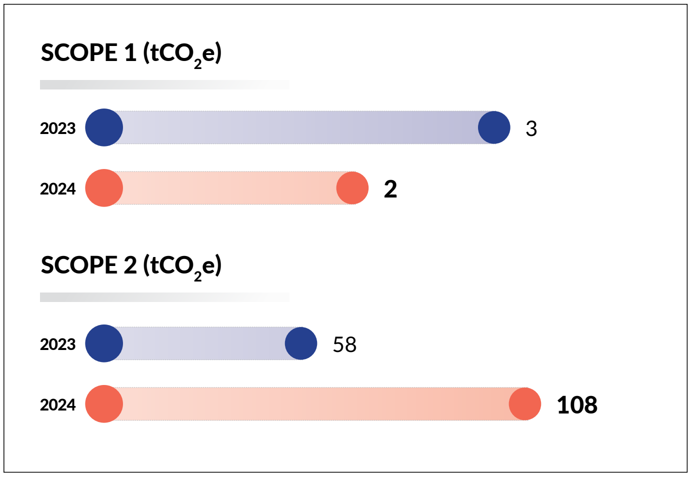
At the Renewable Energy division, we are driven by the mission to replace conventional energy sources with renewable alternatives. Our operations are centered around minimising environmental impact through sustainable resource management and promoting the adoption of clean energy technologies, setting a benchmark for industry practices in environmental responsibility.

Greenhouse Gas Emissions

Monitoring Our Emissions

As part of our commitment to sustainability, our Renewable Energy division actively tracks and evaluates emissions across our operations. We continuously monitor the performance of our solar plants to assess their carbon reduction impact, ensuring optimal efficiency in offsetting GHG emissions. By leveraging real-time data analytics and periodic emissions reporting, we measure avoided emissions from renewable energy generation, demonstrating our contribution to decarbonisation.

Trends and Insights



Over the past year, our newly established Renewable Energy division maintained low Scope 1 emissions at 2 tCO_2e but recorded a significant increase in Scope 2 emissions—from 58 tCO_2e to 108 tCO_2e. This rise is largely attributed to the division's ramp-up phase, which involves scaling operational capacities to deliver renewable solutions. While these figures reflect the early stages of growth, the division remains committed to integrating energy-efficient technologies and best practices to help ensure that the overall environmental benefits of its renewable projects outweigh any incremental operational emissions. Additionally, having embarked on our first year of tracking Scope 3 emissions across Categories 6 (Business Travel) and 7 (Employee Commuting), our data is consolidated by the Group to ensure holistic tracking across the organisation.

Resource Efficiency and Management

At the Renewable Energy division, our approach to resource efficiency encompasses a broad spectrum of sustainability initiatives, from optimising the use of raw materials in energy production to enhancing operational efficiencies across our projects. This section will detail our efforts to not only generate energy more sustainably but also to manage all resources more responsibly. This year, we have also re-stated our 2023 electricity and diesel consumption to holistically and accurately reflect the consumption of energy from these sources throughout our operations.

	2023	2024
Electricity Consumption	382 GJ	**501 GJ**
Fuel Consumption *(Diesel)*	184 GJ	**156 GJ**
Water Consumption	572 m^3	**770 m^3**

Responsible Waste Management Practices

The Renewable Energy division's approach to waste and effluent management is closely aligned with our mission to promote sustainable energy sources. We focus on minimising the by-products of energy production and maximising resource efficiency. Through innovative technologies and stringent controls, we ensure that our environmental impact is minimised while advancing the transition to a low-carbon economy.

Our Renewable Energy division prioritises responsible waste management by minimising waste generation and promoting recycling across operations. We implement structured waste segregation at project sites, ensuring recyclable materials such as metal, plastic, and e-waste are properly processed. Additionally, we optimise resource use by repurposing materials where feasible, reducing landfill dependency. Through these initiatives, we aim to enhance sustainability while supporting a cleaner energy future.

	2023 (tonnes)	2024 (tonnes)
Total Waste Collected	-	**884**
Total Waste Directed to Landfill (Domestic + Operations)	-	**0**
Total Waste Diverted from Landfill (Domestic + Operations)	-	**884**

SUSTAINABILITY STATEMENT

Case Study

Revitalising Renewable Waste: A Circular Approach to Solar Panel Utilisation

Overview:
In a groundbreaking initiative led by Taliworks Renewables Operations Sdn. Bhd. ("Taliworks Renewables Operations"), the 'Solar Panel Lifecycle Extension Project' has set a remarkable benchmark in environmental stewardship and community support. Over a span of seven months, this initiative has transformed 884.31 tonnes of potential landfill waste into a sustainable source of clean energy for rural communities.

Challenge:
With the rapid escalation of solar technology deployment, the associated waste has burgeoned into a critical environmental challenge. Taliworks Renewables Operations identified a dual opportunity: (1) to address the growing issue of solar panel disposal and (2) to aid underserved communities lacking in reliable energy sources.

Implementation:
The project was implemented with a clear strategy involving multiple stakeholders, including internal teams and external recycling and refurbishment partners. The approach was straightforward yet robust, focusing on the collection, recycling, and refurbishment of discarded solar panels to create 15 MW of second-life solar power.

Impact:
This initiative has not only diverted significant waste from landfills but also provided a much-needed energy source to rural areas, thereby enhancing the quality of life for its inhabitants. The environmental benefits align seamlessly with broader ESG goals, supporting waste reduction and promoting a circular economy. Moreover, the project has reinforced Taliworks Renewables Operations reputation as a leader in sustainable practices and corporate responsibility.

Outcomes:
- **Environmental:** 884.31 tonnes of solar panel waste diverted from landfills.
- **Economic:** Enhanced access to clean energy for rural communities, improving living conditions and enabling socio-economic development.

Lessons Learned:
The success of this project underscores the value of integrating circular economy principles into business models. It highlights the importance of collaborative efforts and innovative thinking in tackling environmental issues while simultaneously addressing community needs.

Low Environmental Impact Purchasing Practices

Taliworks is committed to fostering sustainable and environmentally friendly practices across all facets of our operations, particularly in procurement. We understand the profound impact our purchasing decisions have on achieving our green objectives. To this end, our procurement team prioritises low environmental impact choices, diligently reviewing and assessing sustainable options within the constraints of performance and budget. We aim to increase the procurement of sustainable materials by 10% annually across the Group. This strategy involves thorough sourcing analyses and the identification of opportunities to switch to sustainable materials, reinforcing our commitment to continuous improvement and environmental stewardship within our supply chain.

Taliworks has embraced a holistic approach to sustainability, embedding green procurement principles across all its operations to minimise environmental impact. This includes adopting paper with green certifications for the Group, enhancing energy efficiency with eco-friendly equipment in the Water Treatment and Supply division, and advancing renewable energy solutions. Significant investments in energy-efficient lighting and the installation of solar panels are standard across our Highway and Toll and Renewable Energy divisions, underscoring our commitment to sustainable practices and continuous improvement in environmental stewardship across the board.

VALUED HUMAN CAPITAL

EMPOWERING OUR WORKFORCE

Our dedication to sustainability at Taliworks goes beyond environmental stewardship, reaching into the core of our organisation—our people. We are committed to fostering a safe, inclusive, and growth-oriented workplace that supports continuous learning, professional development, and well-being, ensuring our employees feel valued and motivated to thrive.

Our Commitments and Goals

1. **Advance Employee Development**
Develop employees' professional growth through structured performance reviews, robust development plans, and continuous training programmes.

2. **Enhance Employee Satisfaction**
Engage employees positively and achieve an employee satisfaction score of 80% and above across all business divisions.

3. **Prioritise Safety and Health**
Implement strong safety and health management plans, striving for zero fatalities and maintaining a safe working environment.

4. **Promote Equal Opportunities**
Ensure equal opportunity in employment practices by supporting programmes that advance diversity and inclusion, including developing high-potential women into decision-making roles.

Summary of Progress

Taliworks increased its **investment in employee training** by **15.8%** compared to the previous year, resulting in **over 64,000 training hours** delivered across the group

Achieved an overall **employee engagement score of 77.5%** across the group, evaluating areas including Purpose and Direction, Job Satisfaction, Work Environment, and Career Development

Showcasing a **40% female representation at the Board level** and **35% at the Managerial level**, showcasing strong presence of women in leadership in Taliworks

Engaging Our People

At Taliworks, we recognise that employee satisfaction and well-being are essential to attracting top talent and retaining a motivated workforce. By promoting empowerment and nurturing our employees' personal and professional growth, we believe that engaged employees become the driving force behind innovation and long-term organisational success.

Inspiring Connections

We actively foster open communication and collaboration across all levels of the organisation, ensuring that employees feel valued and heard. Through regular engagement activities, surveys, and feedback mechanisms, we create opportunities for meaningful interaction and alignment with our corporate vision and goals.

This year, we organised a range of activities that allowed employees to connect, recharge, and actively contribute to a vibrant and engaged workplace culture.

"In a notable highlight from last year, 163 of our staff members participated in a Group sports event held in Hanoi, exemplifying our commitment to employee wellness and team building. This enriching overseas experience is scheduled to take place once every four years, fostering a unique opportunity for team cohesion and cultural exchange."

Empowering Growth Through Learning

Committed to continuous learning, we equip our employees with the skills and knowledge needed to excel in their roles and grow professionally. Our structured training programmes focus on both technical expertise and leadership development, ensuring that employees are prepared to meet evolving industry demands. Through these opportunities, we aim to foster a dynamic workforce capable of driving innovation, achieving excellence, and advancing their careers.

Training and Development Statistics	2021	2022	2023	2024
Employee training and development expenditure (RM)	147,957	1,010,327	1,643,191	**1,902,864**
Employee attendances at training programmes	4,609	8,023	11,898	**12,490**
Total number of training hours completed	14,775	35,716	45,574	**64,732**

<table>
<tr><th>Average training hours per employee</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td>Board</td><td rowspan="5">N/A</td><td rowspan="5">4.0</td><td rowspan="5">5.8</td><td>22.9</td></tr>
<tr><td>Senior Management</td><td>17.9</td></tr>
<tr><td>Executive</td><td>13.9</td></tr>
<tr><td>Non- Executive</td><td>7.5</td></tr>
<tr><td>Total</td><td>16.4</td></tr>
</table>

Championing sustainable practices, we have embedded five core pillars into our training programmes to equip employees with essential skills that drive sustainability and business success. We also prioritise continuous development in core areas like water treatment and waste management, partnering with the National Dual Training System ("NDTS") to enhance technical expertise through practical, industry-focused learning.

In 2024, the following training programmes were carried out:

Training Programmes	Key Outcomes
Technical	Focuses on enhancing skills in engineering, construction, and IT, keeping employees updated on the latest industry tools, techniques, and standards to maintain excellence in their technical roles.
ESG	Aims to integrate sustainability into business operations, covering everything from Scope 3 emissions management to global sustainability trends, thereby aligning with international ESG standards.
Data and Digital	Equips employees with essential digital competencies, focusing on cybersecurity, e-invoicing, and efficient data management to improve operational efficiencies and compliance.
Leadership and Governance Competencies	Designed to enhance leadership qualities and governance skills, focusing on strategic decision-making, compliance, and ethical management to nurture capable leaders.
Health and Safety	Ensures the well-being and safety of all employees, covering essential practices like first aid, CPR, and specific safety compliance, promoting a culture of safety awareness across the company.

Driving Excellence with Performance

Regular performance and career development reviews are essential to fostering employee growth, motivation, and alignment with organisational goals. These reviews provide employees with valuable feedback, helping to identify strengths, development areas, and opportunities for advancement.

To ensure consistency and effectiveness, we implement structured appraisal processes across all divisions, with clear performance criteria and goal-setting discussions. Through this approach, we support continuous improvement, career progression, and a high-performance culture that drives both individual and organisational success.

Percentage of Employees Receiving Performance Review (%)						
		Highway Toll Concessionaire, Operations and Maintenance Operator				
Group	Water Treatment and Supply	Grand Saga	Grand Sepadu	Engineering and Construction	Waste Management	Renewable Energy
100%	100%	100%	100%	100%	100%	100%

Note:
The data applies to all available permanent employees and does not include staff under probation and contract employees.

SUSTAINABILITY STATEMENT

Fair Labour Practices and Human Rights

At Taliworks, we foster a workplace grounded in fairness, respect, and human rights. Regular engagement initiatives help us understand and address employee needs, ensuring compliance with labour laws and promoting a culture of inclusion, non-discrimination, and equal opportunity.

We support employee well-being through structured recognition programmes, competitive benefits, and opportunities for career development. Transparent grievance mechanisms provide a safe channel for employees to voice concerns, ensuring prompt resolution and continuous workplace improvements. These practices reinforce our commitment to a supportive, motivated, and thriving workforce.

Employee Engagement Survey

To gain insight into our organisational climate and employee sentiments, we conducted the Employee Engagement Survey for 2024, covering diverse aspects of workplace satisfaction, engagement, and overall employee experience. The survey results underscore the organisation's dedication to nurturing a positive work environment and proactively addressing employee concerns, thereby bolstering productivity and retention.

Here are some key highlights from the survey.

OVERALL TALIWORKS ENGAGEMENT SCORE

Rewarding and Recognising Our People - Employee Benefits

At Taliworks, we prioritise the well-being and development of our employees, as outlined in the Employee Benefits section of our Employment Handbook. Our Flexi Employee Wellness Benefits are designed to support the diverse needs of our workforce, ensuring they can maintain a healthy lifestyle. Comprehensive coverage through our Group Insurance Scheme protects our employees and their families.

Recognising the importance of work-life balance, we offer Casual Leave, Pilgrimage (Haj) Leave, Exam/Study Leave, and even Birthday Leave. These provisions allow employees to take time off for personal growth, religious commitments, and special occasions, reflecting Taliworks' commitment to fostering a supportive and flexible work environment that values the holistic well-being of our team.

Prioritising Workplace Safety and Health

The safety and well-being of our employees are integral to our operations, guided by stringent regulatory compliance and a proactive approach across all divisions. Our safety protocols are aligned with local authorities such as the Department of Occupational Safety and Health ("DOSH"), the MHA, Suruhanjaya Perkhidmatan Air Negara ("SPAN"), and other regulatory bodies, alongside globally recognised best practices.

Through continuous monitoring, regular training, and emergency preparedness initiatives, we empower our employees to thrive, driving both innovation and long-term organisational success. We maintain zero-tolerance for non-compliance and continuously enhance our safety frameworks to mitigate risks and protect employees, contractors, and stakeholders.

Health and Safety at Work

NUMBER OF EMPLOYEES TRAINED ON HEALTH AND SAFETY STANDARDS:

5,812

NUMBER OF INJURIES IN 2024:

183

For more information on our training programmes, please refer to our Empowering Growth Through Learning section.

To this end, each division plays a crucial role in upholding our commitment to safety:

Water Treatment and Supply:

Focuses on mitigating risks associated with water treatment by conducting annual assessments and maintaining robust safety measures.

Highway Toll Concessionaire, Operations and Maintenance Operator:

Implements strict safety measures, including mandatory Expressway Operations Safety Passport ("EOSP") training for employees and contractors.

Engineering and Construction:

Adheres to high safety standards with regular safety audits, monthly Safety and Health Committee meetings, and independent DOSH inspections.

Waste Management:

Operates under 31 Occupational Safety, Health, and Environment ("OSHE") committees that oversee site inspections, contractor safety audits, and quarterly assessments.

Renewable Energy:

Maintains rigorous safety protocols, with regular audits and refinements to ensure operational safety and effectiveness.

Through these initiatives, we aim to foster a culture of safety, continually enhancing performance across divisions and ensuring a safe and secure working environment.

Water Treatment and Supply

Our Health and Safety Performance				
Description	**2021**	**2022**	**2023**	**2024**
Cumulative man-hours without lost time injury (hours)	349,962	409,256	419,615	**1,964,422**
Lost time injury rate ((number of injuries/number of hours worked) x200,000)	0	0	0	**0**
Number of injuries	0	0	0	**0**
Number of lost days	0	0	0	**0**

Highway Toll Concessionaire, Operations and Maintenance Operator

Our Highway and Toll division does not separately track OSH metrics in-house because accident data and related KPIs are already systematically reported each month to MHA. Each highway has specific accident-rate targets to maintain, and the authority's clear directives—alongside mandatory EOSP and NIOSH training for staff and contractors—ensure comprehensive oversight of safety performance. This centralised reporting approach not only streamlines data management but also aligns our practices directly with the authority's emphasis on minimising user accidents and maintaining rigorous safety standards.

Our Health and Safety Performance		
Description	**2023**	**2024**
Contractors complied with EOSP	44	**61**
Contractors registered for NIOSH training	27	**12**

Engineering and Construction

Our Health and Safety Performance							
	2021	**2022**		**2023**		**2024**	
Description	**CJR4**	**RSP2**	**RSP 3**	**RSP2**	**RSP3**	**RSP2**	**RSP3**
Cumulative man hours without lost time injury (hours)	142,368	36,194	42,268	221,923	142,048	**38,376**	**392,476**
Lost time injury rate ((number of injuries/number of hours worked) x 200,000)	0	0	0	0	0	**0**	**0**
Number of injuries	0	0	0	0	0	**1**	**0**
Number of lost days	0	0	0	0	0	**0**	**0**

Waste Management

Our Health and Safety Performance				
Description	**2021**	**2022**	**2023**	**2024**
Cumulative man-hours without lost time injury (hours)	19,037,568	20,144,648	19,732,336	**19,844,365**
Cumulative lost time injury (hours)	11,232	8,152	10,064	**10,704**
Lost time injury rate ((number of injuries/number of hours worked) x200,000)	1.36	1.24	1.65	**1.80**
Injury rate (case rate per 1,000 employees)	16.4	14.9	19.8	**21.5**
Number of injuries	-	-	-	**182**

Renewable Energy

Our Health and Safety Performance		
Description	**2023**	**2024**
Cumulative man-hours without lost time injury (hours)	21,384	**22,088**
Lost time injury rate ((number of injuries/number of hours worked) x200,000)	0	**0**
Number of injuries	0	**0**
Number of lost days	0	**0**

Diversity, Equity, and Inclusion

We are cognisant that the diversity of our organisation is a competitive advantage that enables us to drive innovation, productivity, and growth. By fostering an inclusive workplace that welcomes individuals of all genders, ages, ethnicities, skills, and experiences, we operate on a merit-based system and strive to eliminate any barriers that may hinder our workforce from realising their full potential.

Diversity at the Board

Our commitment to diversity permeates every layer of our organisation, beginning with our Board of Directors. We believe that with the inclusion of different perspectives, we are able to raise the standards of good practice in Board leadership and enhance valuable insights in business judgment. To this end, women hold 40% of Board positions as of 2024, marking an increase from the previous year and demonstrating our progress towards greater inclusivity.

For more information on Board Diversity Policy, please refer to the Corporate Governance Overview Statement section of this Annual Report.

SUSTAINABILITY STATEMENT

Women Empowerment at Taliworks

In driving diversity, equity, and inclusion, we prioritise the empowerment of women throughout our workforce. We provide targeted programmes aimed at leadership development, mentorship, and career progression to ensure that women have the opportunities and resources needed to excel. This focus has contributed to increased female representation across various levels of the organisation, including decision-making roles. Two notable initiatives include:

The High EQ Woman – For Success & Peak Performance

This programme focuses on developing high emotional intelligence ("EQ"), which is crucial for navigating workplace challenges and advancing career success. It equips women with the tools to enhance their self-awareness, empathy, and interpersonal skills, fostering a resilient mindset that drives peak performance.

The High EQ Woman – For Leaders

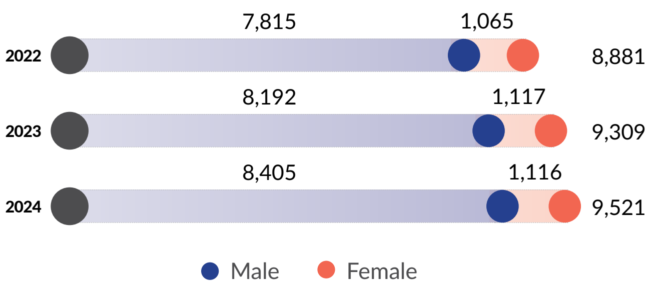
Aimed specifically at women in leadership roles or those aspiring to such positions, this training strengthens leadership capabilities through enhanced EQ competencies. Participants learn to effectively manage teams, make strategic decisions, and create an inclusive workplace culture that values contributions from all employees.

By investing in these programmes, Taliworks underscores its dedication to creating a supportive environment where women can thrive professionally and personally. These initiatives not only support the professional development of women but also contribute to a more dynamic and inclusive leadership landscape within the company.

For more information on Employee Composition, please refer to the Our Workforce by Numbers section of this Sustainability Statement.

Our Workforce by Numbers

Total Number of Employees



Employee Turnover by Employee Category

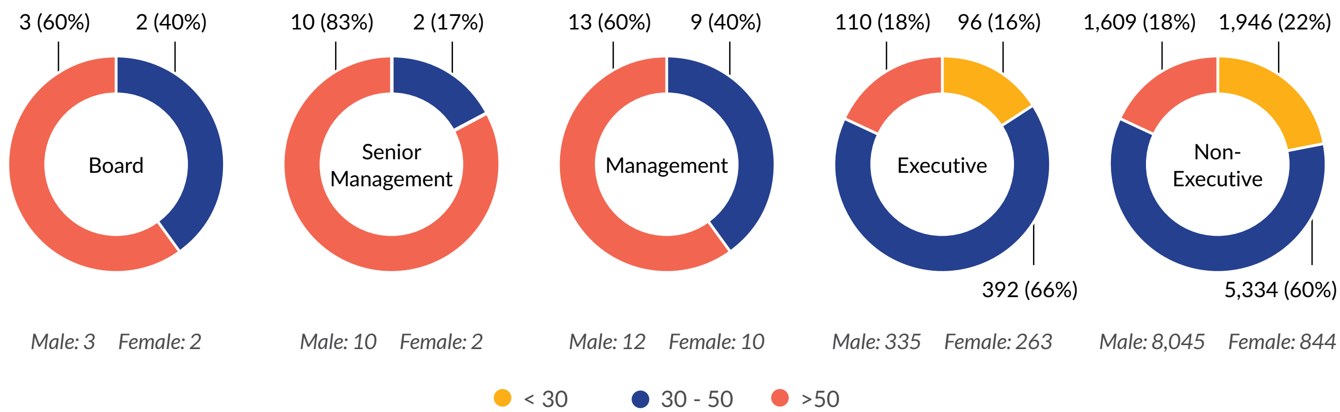
0
Senior Management

1
Management

20
Executive

119
Non-Executive

Employee Category by Age Group and Gender



Our Employees by Division

58
Group

133
Water Treatment and Supply

268
Highway Toll Concessionaire, Operations and Maintenance Operator

45
Engineering and Construction

9,006
Waste Management

11
Renewable Energy

ENRICHED COMMUNITIES

ENHANCING AND INVESTING IN COMMUNITY WELL-BEING

At Taliworks, our "Enriched Communities" pillar drives our strategy in empowering communities through initiatives focused on education, health, and environmental sustainability. By collaborating with NGOs, government bodies, educational institutions, and local communities, we amplify our impact and foster economic and social progress. Internally, we promote a culture of volunteerism among employees, emphasising shared responsibility for creating meaningful, lasting benefits for communities and individuals.

Our Commitments and Goals

1 Support Community Wellness
Support community wellness through our community projects.

2 Volunteering to Uplift Communities
Encourage employees to volunteer in our community projects to uplift the wellbeing of the communities in which we operate.

3 Empower Communities Through Education
Empower our communities by focusing on education initiatives.

Summary of Progress

Total Community Investment in FY2024:
Over RM700,000

Total Beneficiaries Impacted in FY2024:
Over 20,000 individuals

Serving Our Communities

We outline our dedicated efforts in community outreach, illustrating how each division uniquely contributes to our overarching goal of enhancing community well-being and environmental stewardship. Through targeted initiatives, strategic partnerships, and active engagement, we aim to address local needs and foster sustainable development across all regions of our operations. Our commitment extends beyond our business objectives to include a deep-seated responsibility to give back to the communities that support our success, ensuring that our growth is inclusive and beneficial for all stakeholders involved.

Group

Memories of Warmth-CNY Festive Visit and Lunch Box Delivery
During the Chinese New Year, our volunteers dedicated 21 hours to deliver groceries and warm meals to 108 residents across four charity homes, aiming to spread festive cheer and camaraderie. This initiative not only allowed the less fortunate to enjoy the festive season but also facilitated meaningful connections with the community.

Sinar Iftar-Majlis Iftar featuring kids from charity home
The Sinar Iftar event gathered 23 participants from Rumah Bakti Al Kausar Bangi for an iftar meal at Hotel Bandar Utama. Volunteers spent 15 hours engaging with the children, breaking fast together, and providing both monetary and gift contributions. This act of kindness reflects our commitment to fostering communal spirit and support during Ramadan.

Syoknya Syawal-Raya Festive Visit
In celebration of Hari Raya, volunteers visited Perbadanan Kebajikan Pusat Jagaan Suci Rohani, spending 21 hours engaging with 37 beneficiaries through festive activities. The volunteers collaborated with local homemakers to bring joy and a sense of belonging to the children, emphasising the spirit of giving.

Blood Donation 2024
Our Blood Donation Drive in 2024 saw 68 participants, supporting the national blood reserves by partnering with Pusat Darah Negara. This initiative reinforced our commitment to healthcare and emergency readiness.

Bursa Bullcharge Run 2024
The Bursa Bullcharge Run 2024 was a significant event, emphasising physical health and team spirit among employees. It saw our participation alongside other corporate teams, contributing to cancer research initiatives. This event not only fostered team cohesion but also aligned our corporate social responsibility efforts with health and wellness causes.

SUSTAINABILITY STATEMENT

Water Treatment and Supply

Firefly Sanctuary Conservation Effort

On 17 December 2024, Sungai Harmoni Sdn. Bhd. ("Sungai Harmoni") hosted a significant conservation event at Fireflies Sanctuary Kg Kuantan, planting 100 mangrove apple trees to support local biodiversity and enhance the ecosystem. The event involved 120 participants, including Sungai Selangor Water Treatment Plant Phase 1 ("SSP1") staff and UNISEL students, and featured the release of 1,000 yellow catfish and freshwater prawn seedlings into the Selangor River to further aid in ecological restoration. This initiative was also marked by river cleaning activities, emphasising Sungai Harmoni's commitment to environmental health.

Food Bank Initiative at Masjid Bukit Badong, Masjid Jaya Setia, and Masjid Nurul Iman Ijok

The Food Bank initiative spearheaded by Sungai Harmoni across three local mosques aimed to combat food insecurity within the community. Essential food items were made available on designated shelves for unrestricted community access, providing vital support to those in need throughout the year and strengthening community bonds through shared support and resources.

Fun Run Programme with Communities from Bukit Badong and Ijok

The Fun Run event, organised by Sungai Harmoni, involved 300 participants in a community-engaging event aimed at promoting health and fitness. The event also served as a platform for community bonding, with staff members and participants from the local community taking part, showcasing the organisation's commitment to fostering a healthy and active community spirit

Highway Toll Concessionaire, Operations and Maintenance Operator

Festive Road Safety Campaigns

The division actively enhances road safety and fosters community spirit through targeted campaigns during major festivals. During Chinese New Year, 2,500 packs of mandarin oranges and safety messages were distributed at Toll Plaza Batu 9 and Batu 11, spreading festive cheer and promoting safety. Similarly, the Hari Raya Aidilfitri campaign, held in collaboration with JPJ Selangor and other agencies, distributed 1,000 packages of dates and safety messages to highway users, emphasising road safety during peak travel times. These initiatives not only improve road safety awareness but also enhance the holiday experiences of commuters.

Ramadan and Hari Raya Programmes

During the festive periods of Ramadan, Hari Raya Aidilfitri, and Hari Raya Aidiladha, the divisions contributed food items to six mosques, five orphanages, and old folks' homes across the regions. These contributions not only support community members during these significant religious observances but also enhance the festive celebrations for those less fortunate.

National Day Celebration Programme

The divisions participated in Malaysia's 66th National Day celebrations by placing flags at strategic locations along the highways. This initiative aimed to foster national pride and unity among the commuters and the surrounding communities.

Blood Donation Campaign

A proactive approach to healthcare support was evident in their organisation of a Blood Donation Campaign, aiding Hospital Tengku Ampuan Rahimah Klang. This initiative not only helped in fulfilling the hospital's blood supply needs but also encouraged community involvement in lifesaving efforts.

Waste Management

Case Study

Cultivating Green Champions - The JESAWIL Initiative

Overview:
The "Jelajah Sekolah Angkat Wira Lestari" ("JESAWIL") initiative, spearheaded by SWM Environment Sdn. Bhd., in collaboration with Universiti Tun Hussein Onn Malaysia ("UTHM") and Bank Simpanan Nasional ("BSN"), embarked on a transformative four-month journey from May to August 2024. The programme was designed to educate and engage primary school students in Johor Bahru in sustainable waste management and recycling practices.

Challenge:
Addressing the lack of environmental awareness and routine practice of recycling in schools, the initiative aimed to integrate sustainable waste management into the educational framework, fostering a culture of environmental stewardship among young students.

Implementation:
The initiative included a series of Train-the-Trainer sessions, a competitive recycling programme among 42 schools, and culminated in a grand closing ceremony announcing the winners. The programme was supported by various sponsors, including major contributions from BSN, which was instrumental in facilitating the project's outreach and impact.

Impact:
- Over the course of the programme, participating schools collectively gathered 68,000 kilograms of recyclable materials, created 1,500 EcoBricks, and generated significant environmental savings by reducing carbon dioxide emissions by approximately 109,859 kilograms.
- The initiative strengthened SWM's community relationships and garnered ongoing support from BSN for future collaborations.

Sustainability and Alignment with Global Goals:
Aligned with SDGs 4 ("Quality Education") and 13 ("Climate Action"), the programme effectively raised awareness among students about the importance of recycling and environmental conservation, equipping them with the knowledge and skills to make sustainable choices.

Lessons Learned and Future Directions:
The success of JESAWIL has paved the way for expanded initiatives, such as the proposed S.I.R.E.H. Innovation Competition, aimed at broadening the impact to include STEM education and community engagement across Malaysia.

Empowering Through Knowledge

Water Treatment and Supply

Recycling Programme with SK Bukit Badong

Sungai Harmoni organised a comprehensive recycling initiative at SK Bukit Badong, engaging 150 students from Grade 4 to 6 in a week-long programme that transformed waste into classroom decorations. The programme featured an awareness talk on recycling by a certified speaker from CSQ Analytics, coupled with a recycling-themed game, which culminated in rewarding the winning student with a hamper. To further embed recycling habits, Sungai Harmoni contributed two stainless steel recycling bins to the school, promoting ongoing recycling practices among students and teachers. This initiative not only educated the students on environmental responsibility but also fostered a practical, long-term commitment to sustainability within the school community.

Highway Toll Concessionaire, Operations and Maintenance Operator

School Road Safety Programme

In partnership with JPJ Negeri Selangor, the Highway and Toll Division engaged 400 students from schools near the Grand Saga and Grand Sepadu highways to promote safe road use. The programme, conducted at Sekolah Menengah Rantau Panjang Klang, Sekolah Menengah Kebangsaan Bandar Baru Sultan Suleiman, Kolej Vokasional Kajang and Kolej Komuniti Hulu Langat, included interactive sessions, accident prevention videos, motorcycle safety quizzes, and inspections, emphasising the importance of responsible motorcycle riding among young students.

Engineering and Construction

Donations to Schools

Responding to a request from the Parent-Teacher Association of SK Jalan Seri Cheding in August 2024, we contributed towards the construction of a new volleyball court. This initiative is part of our approach to foster active lifestyles and enhance community engagement through improved educational infrastructure.

MOVING FORWARD WITH OUR COMMUNITIES

We are inspired by the impacts these initiatives have had on diverse communities across our operational regions. Our dedication to fostering positive change extends beyond current achievements; it is a continual commitment to nurturing resilient and thriving communities. Looking ahead, Taliworks is poised to deepen its engagement, expand its reach, and innovate new strategies to address the evolving needs of the communities we serve. By actively partnering with stakeholders and leveraging our collective strengths, we aim to create a more inclusive and sustainable future. These aspirations reflect our core values and reinforce our role as a responsible corporate citizen, committed to making a lasting difference in the lives we touch.

BETTER BUSINESS THROUGH INNOVATION

UPHOLDING STANDARDS AND DRIVING INNOVATION

At Taliworks, governance is foundational to our operations, ensuring that we adhere to the highest standards of regulatory compliance and ethical conduct. Our governance framework is designed to oversee company activities responsibly, with strict adherence to our Code of Conduct and a zero-tolerance approach to breaches. This framework supports our efforts in maintaining a sustainable supply chain and fosters innovation, enabling us to adapt and grow in a rapidly evolving business environment. Through these efforts, we commit to transparency and accountability, safeguarding the interests of our stakeholders and reinforcing our commitment to corporate integrity.

Our Commitments and Goals

1 **Ensure Regulatory Compliance**
Committed to comply with applicable laws and regulations, as well as applicable business regulations and protocols.

2 **Compliance with Taliworks' Code of Conduct**
Enforce zero tolerance for non-compliance on Taliworks' Code of Conduct, including our whistleblowing, anti-corruption and anti-bribery policies.

3 **Reinforcing a Sustainable Supply Chain**
Extend our Sustainability Procurement Policy by enhancing supplier screenings so that our key suppliers will adhere to minimum good practices.

4 **Enhance Customer Management**
Achieve above average customer satisfaction rates across our business divisions.

5 **Digitalisation and Innovation to Drive Business Growth**
Invest in innovation and digitisation to drive business growth.

Summary of Progress

Taliworks has prioritised engaging local suppliers, with an average of 98.01% of total spending directed towards local vendors across the Group.

The Group reported zero substantiated breaches in cybersecurity, reflecting the effectiveness of the strengthened security measures and protocols implemented across all divisions.

SUSTAINABILITY GOVERNANCE

Taliworks' sustainability governance framework is designed to uphold and deliver our commitments to sustainability, ensuring integrity throughout our operations. This framework supports the Group's sustainability objectives, maintaining a strong focus on sustainability at both Board and senior management levels. It specifies the roles and responsibilities within the leadership team, facilitating effective strategy development and implementation of initiatives headed towards our sustainability goals.

Driven by our sustainability governance structure, Sustainability Steering Committee ("SSC"), supported by the Sustainability Working Group ("SWG") and the Central Coordinating Committee ("CCC"), meticulously oversees the management of ESG risks specific to each business division, ensuring alignment with Taliworks' overarching sustainability and business objectives. At the operational level, division heads are responsible for actively managing and implementing sustainability initiatives. This hands-on approach guarantees that all business practices not only comply with but also advance the group's commitment to sustainable and ethical standards.

ROLES AND RESPONSIBILITIES

Board of Directors	• Maintains general oversight of the Group's sustainability strategy and performance by setting and implementing the Group's sustainability strategies, priorities, and targets. • Integrates sustainability factors into Board responsibilities. This includes, but is not limited to, the creation and implementation of Group strategies, business plans, significant plans of action, and risk management. • Communicates the Group's sustainability strategies, priorities, and targets, along with performance updates against these targets, to both internal and external stakeholders. • Takes a proactive approach to stay informed and comprehend sustainability matters relevant to the Group and its businesses, including climate-related risks and opportunities. • Addresses sustainability risks and opportunities in performance reviews of the board and senior management. • Empowers the SSC to lead and oversee the integration of sustainability matters into the Group's operations. • Approves and authorises the Sustainability Statement that encapsulates the Group's sustainability efforts.
Executive Committee	• Maintains oversight of Taliworks' sustainability objectives and endorses the Sustainability Framework. • Directs the Group's business and day-to-day operations to meet corporate sustainability targets and plans.
Sustainability Steering Committee	• Ensures accountability for our sustainable goals and performance. • Assists the Board and senior management in overseeing and propelling the implementation of the Group's sustainability agenda.
Sustainability Working Group	• Supports the SSC in executing the sustainability agenda, which involves tracking and compiling sustainability data.
Central Coordinating Committee	• Assist the SSC in establishing a sustainability framework to guide the sustainability initiatives to be undertaken by the Group. • Report ESG-related risks and opportunities by identifying and addressing potential risks and opportunities to improve decision-making by data/risk owners. • Communicate the Group's sustainable goals to stakeholders by building a comprehensive communications strategy focused on the Group's ESG efforts, keeping internal and external stakeholders informed and engaged. • Keep abreast of new sustainability-related frameworks and guidelines by standard setters. • Develop strategies to inculcate a culture of ESG awareness and adoption within the Group.

ESG RISK MANAGEMENT

Acknowledging the critical influence of ESG factors on business resilience and sustained success, the Group has strategically incorporated ESG risks into our Enterprise Risk Management ("ERM") framework. This integration reflects our dedication to actively mitigating and managing ESG risks, thereby fostering sustainable outcomes that support the Group's long-term strategic objectives.

The ERM key practices are to identify, measure, control, monitor, and report risks are outlined as follows:

ERM key practices

- **01** Identify Risks
- **02** Prioritising Risks
- **03** Responding to Prioritised Risks

For further details on the steps under the ERM practices, please refer to Section 5.0 of the Statement on Risk Management and Internal Control included in this Annual Report.

The Audit and Risk Management Committee ("ARMC") at Taliworks plays a critical role in overseeing risk management functions. The committee supervises the Risk Management Working Group ("RMWG"), which enhances the company's risk management systems and practices. Additionally, management is responsible for upholding robust internal controls.

The risk management process at Taliworks involves identifying, assessing, monitoring, and managing principal risks that might impact the Group's objectives. Senior management engages with stakeholders about environmental and community impacts, focusing on issues like climate change, biodiversity loss, and waste management.

The RMWG uses a risk-rating matrix to assess and prioritise risks, evaluating the likelihood and impact based on expert judgment. Regular reviews of risk ratings and mitigation actions are conducted to identify emerging risks, update the risk profile, and monitor the progress of initiatives, ensuring proactive risk management across the Group.

Please refer to Section 5.0 of the Statement of Risk Management and Internal Controls for an in-depth view of the Group's risk management framework.

Our Climate Disclosure Commitment

The following section outlines our approach to climate-related financial disclosures, guided by the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") as well as the requirements of the IFRS S2 standard. This framework enhances transparency in our reporting of climate-related risks and opportunities, ensuring stakeholders are well-informed of our strategies, risk management, and performance metrics in addressing environmental challenges. By integrating TCFD guidelines, we demonstrate our commitment to sustainable practices and strategic resilience against climate change impacts.

Governance

The board at Taliworks exercises rigorous oversight of climate-related risks and opportunities, closely monitoring performance and strategic responses to climate change. The SSC plays a crucial role in guiding and implementing measures to mitigate these risks and seize related opportunities. The Executive Committee ("EXCO") is responsible for the day-to-day management of the Group, driving forward the corporate sustainability targets and strategic plans. This structured governance ensures that Taliworks remains committed to its sustainability agenda and can respond dynamically to environmental challenges.

For further information on our Sustainability Governance, please refer to our Sustainability Governance section.

Strategy

Taliworks is committed to aligning with Malaysia's national targets for carbon neutrality by 2050 and a reduction in GHG emissions intensity by 2030. Our strategy includes significant investments in renewable energy and retrofitting LED light bulbs across several facilities to reduce energy consumption and carbon emissions. These efforts are complemented by advanced water treatment technologies that improve water efficiency and support the Water Sector Transformation 2040 goals.

Risk Management

Taliworks operates in the competitive construction sector, which presents several risks from limited project availability to regulatory changes and political uncertainties. Additional challenges include inflationary pressures from rising costs of materials and labour, and a heightened focus on ESG standards which introduces new market expectations and regulatory frameworks. To navigate these risks, Taliworks has integrated comprehensive risk management strategies that align with our sustainability commitments, ensuring resilience and compliance in a rapidly evolving market.

For further information on our Risk Management Efforts, please refer refer to our Enterprise Risk Management Framework.

Metrics and Targets

In 2023, Taliworks began tracking Scope 1 and Scope 2 GHG emissions, focusing on direct operational control. By 2024, we expanded our emissions monitoring to include Scope 3 emissions from business travel and employee commuting, aligning with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard. This approach to monitoring our carbon footprint is enhanced by utilising updated emission factors from sources like the IPCC Guidelines. We regularly review these metrics in bi-annual meetings with division heads and the SSC to ensure alignment with the TCFD recommendations.

For further information on our GHG emissions performance, please refer to our Impact Positive Environmental Practices Chapter of this Sustainability Statement.

BUSINESS ETHICS AND COMPLIANCE

At Taliworks, we prioritise creating a workplace founded on integrity, accountability, and ethical business practices—key pillars of our corporate ethos. Our comprehensive policies and guidelines are crafted to empower employees to consistently uphold the highest standards of professional conduct. As part of our Sustainability Framework's Pillar I, "Better Business Through Innovation,"we emphasise the importance of adhering to Taliworks' Code of Conduct, detailed in the Employment Handbook, and ensuring regulatory compliance, reinforcing our commitment to integrating sustainability throughout our organisation. In 2024, our conduct is directed by a guiding set of codes and policies that fortify our dedication to ethical operations and compliance.

Our ethical guidelines and policies also include the Code of Business Conduct and Ethics for Directors, a Whistleblowing Policy for reporting unethical behaviour, and an Anti-Bribery and Anti-Corruption Policy that enforces a zero-tolerance approach to bribery and corruption, ensuring all operations adhere to the highest standards of integrity. Notably, in FY2024, there were zero reported cases of bribery or corruption and no incidents concerning human rights or child labour violations, affirming our commitment to ethical practices across all levels of operation.

For more information on our Codes and Policies, please refer to our company's website at https://taliworks.com.my/corporate-governance/

Compliance with Taliworks' Code of Conduct

Taliworks maintains a strong commitment to embedding compliance throughout our everyday operations. Through proactive measures, we ensure that all employees are familiar with our operational guidelines and policies, thereby strengthening our corporate culture of compliance.

Anti-Bribery Management System

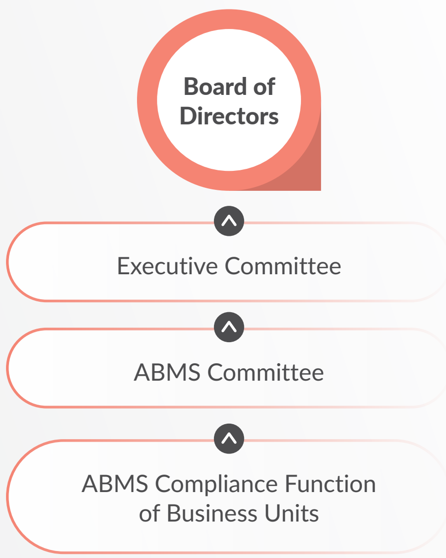
Taliworks has maintained an Anti-Bribery Management System ("ABMS") since 2020, aimed at fostering a culture of integrity within the organisation and minimising risks related to bribery, corruption, or mismanagement. The system is structured to not only prevent and detect such issues but also to provide mechanisms for responding effectively when they arise.

In 2023, to strengthen this system further, Taliworks engaged an independent third party to conduct a thorough review of our ABMS. The goal was to refine our anti-corruption programmes to ensure they conform to the Guidelines on Adequate Procedures as outlined by the Prime Minister's Department in 2018.

ABMS Governance Structure

To ensure the effective and proper implementation of the ABMS, Taliworks maintains oversight through our ABMS Governance Structure. This framework, supplemented by the TRUST principles, is designed to oversee the integration and adherence to ABMS protocols throughout the organisation, guaranteeing that all anti-bribery measures are executed with the highest standards of compliance and integrity.

To enhance the implementation of the ABMS, the Group has initiated an ABMS Committee for oversight and established a designated ABMS Compliance Function within each business unit or subsidiary, ensuring focused responsibility for anti-bribery and anti-corruption compliance across the organisation.



ABMS Committee

- Oversee the ABMS to ensure it effectively manages bribery and corruption risks.
- Assess the internal control system's design and operational efficiency with the ABMS Compliance Function.
- Ensure compliance with the TRUST Principles.
- Foster an anti-bribery and anti-corruption culture within the Group.
- Evaluate the effectiveness of whistleblowing channels.
- Review and guide improvements in ABMS policies, training, and audit plans.

ABMS Compliance Function

- Establish an anti-bribery compliance function and appoint support personnel to assist in implementing the ABMS.
- Oversee the ABMS design and execution, recommending amendments to the ABMS Manual to ensure it effectively manages bribery risks.
- Provide guidance and advice to personnel on anti-bribery measures.
- Ensure ABMS compliance with the manual's requirements and report its performance to the Governing Body and Top Management.

With the implementation of a robust system and structure, Taliworks recorded zero cases of bribery, corruption, human rights violations, and child labour incidents in FY2024.

TRUST Principles

The TRUST principles serve as a foundation in establishing and implementing a robust ABMS, guiding organisations to uphold transparency, accountability, and ethical practices. By providing a structured framework, these principles ensure that anti-bribery measures are not only effective but also aligned with legal and regulatory standards, justifying our reasonable and proportionate Guidelines on Adequate Procedures. Emphasising key areas such as due diligence, governance, and continuous improvement, the TRUST principles help Taliworks mitigate corruption risks, strengthen internal controls, and foster a culture of integrity across all operations.

Top-Level Commitment	Risk Assessment	Control Measures	Systematic Review and Monitoring	Training and Communication
The Board promotes a zero-tolerance culture towards bribery and ensures compliance with ABAC policies, overseeing the implementation of effective anti-corruption measures.	Senior management manages corruption risks, while the ABMS Compliance Function conducts periodic risk assessments to address potential threats.	Proportional controls are implemented across business units to mitigate bribery and corruption risks effectively.	The ABMS Compliance Function regularly reviews the ABAC programme to ensure enforcement and continuous improvement.	Employees complete mandatory ABAC training, with high-risk personnel receiving additional sessions. New hires acknowledge the ABAC Policy during onboarding.

Supporting Resilient Businesses

Our business divisions adhere to management systems and policies, ensuring consistent compliance with regulatory requirements, upholding industry best practices, and reinforcing the Group's commitment to operational excellence and sustainability. By aligning with these standards, each division effectively manages risks, enhances performance, and maintains accountability, fostering trust with stakeholders and driving long-term value creation.

Water Treatment and Supply

Our Management Systems	Regulations And Policies We Comply To
• ISO9001: 2015 • ISO/IEC 17025:2017 • ISO/IEC 27001:2013 • National Dual Training System (NDTS):CM/060/2:2014 and CM/021/2:2014 • Practical Assessment Centre for Recognition of Prior Achievement: CM/060/2:2014 (Water Treatment Operation Services), C/331/033:2017 (Facilities Management), and E/360/002:2016 (Water Treatment Quality Control (Lab)), E/360/003-2:2019 (Water Supply Instrument Application) • Anti-Bribery Management System	• Water Service Industry Act 2006(Act 655) • National Drinking Water Quality Standard 2004 • Environmental Quality Act 1974 (Act 127) • Occupational Safety and Health Act 1994 (Act 514) • Poisons Act 1952 (for storing and using of caustic soda) • Akta Kawalan Bekalan 1961 (KPDN) • Water Services Industry Licensing Regulations 2007 • Abstraction of Water Source Regulations 2012 • Water Services Industry (Bulk Water Supply Agreement) Rules 2015 • Water Services Industry (Bulk Water Supply Agreement) Rules 2019 • Malaysian Anti-Corruption Commission Act 2009 (Act 694) • Anti-Bribery and Anti-Corruption Policy • Anti-Bribery Management System Manual and Procedures

Highway Toll Concessionaire, Operations and Maintenance Operator

Our Management Systems	Regulations And Policies We Comply To
• ISO 9001:2015 for Provision of Highway Maintenance and Toll Collections (Grand Saga) • MS ISO 9001:2015 for Operation and Maintenance of Highway (Grand Sepadu) • Anti-Bribery Management System	• Concession Agreements with Government of Malaysia • Malaysian Highway Authority ("MHA") Guidelines for Monitoring on Operation and Maintenance • Assessment for Operation Control and Maintenance for the Environmental Aspect for Highway Currently Operating and Under Construction • Arahan Pengurusan Sistem Tol ("APST") - LLM/GP/T18-21 • Garis Panduan dan Petunjuk Prestasi (KPI) Perkhidmatan Peronda Lebuhraya - LLM/GP/T9-08 • Expressway Performance Indicator ("EPI") • Malaysian Anti-Corruption Commission Act 2009 (Act 694) • Anti-Bribery and Anti-Corruption Policy • Anti-Bribery Management System Manual and Procedures

SUSTAINABILITY STATEMENT

Engineering and Construction

Our Management Systems	Regulations And Policies We Comply To
• ISO 9001:2015 Quality Management System • Anti-Bribery Management System	• Construction Industry Development Board ("CIDB") Act 1994 (Act 520) • Environmental Quality Act 1974 (Act 127) • Occupational Safety & Health Act 1994 (Act 514) • Manual Saliran Mesra Alam Malaysia (MSMA 2nd Edition), published by Department of Irrigation & Drainage ("DID") 2012 • Guidelines for Erosion and Sediment Control in Malaysia by Department of Irrigation & Drainage ("DID") 2010 • Environmental Quality (Clean Air) Regulation 2014 • Guidelines for Environmental Noise Limits and Control 2019 (Reprint 2021) • Malaysian Anti-Corruption Commission Act 2009 (Act 694) • Anti-Bribery and Anti-Corruption Policy • Anti-Bribery Management System Manual and Procedures

Waste Management

Our Management Systems	Regulations And Policies We Comply To
• ISO 9001:2015 • Anti-Bribery Management System	• Solid Waste and Public Cleansing Management Act 2007 (Act 672) • Occupational Safety and Health Act 1994 (Act 514) • Environmental Quality Act 1974 (Act 127) • Environmental Quality (Scheduled Wastes) Regulation 2005 • Construction Industry Development Board CIDB Act 1994 (Act 520) • Malaysian Anti-Corruption Commission Act 2009 (Act 694) • Anti-Bribery and Anti-Corruption Policy • Anti-Bribery Management System Manual and Procedures

Renewable Energy

Our Management Systems	Regulations And Policies We Comply To
• Anti-Bribery Management System	• Environmental Quality Act 1974 (Act 127) • Occupational, Safety and Health Act 1994 (Act 514) • Occupational Safety and Health (Control of Industrial Major Accident Hazards) Regulation 1996 • Factories Machineries (Safety, Health, and Welfare) Regulations 1974 • Electricity Supply Act 1990 (Act 447) • Malaysian Anti-Corruption Commission Act 2009 (Act 694) • Anti-Bribery and Anti-Corruption Policy • Anti-Bribery Management System Manual and Procedures

Sustainable Supply Chain Practices

Understanding the importance of a robust and ethical supply chain to ensure resilience and alignment with stakeholder expectations, Taliworks integrates sustainability into every stage of our supply chain, from selecting and registering suppliers to assessing risks and monitoring the environmental, economic, and social ("EES") impacts of our operations. This approach reinforces our commitment to responsible business practices and sustainable growth.

Our extensive network of suppliers, business partners, and service providers reflects the diversity of our operations nationwide. Guided by our Sustainability Procurement Policy, we maintain transparency, accountability, and ethical standards across all supplier engagements. Through a stringent selection process, we prioritise quality, integrity, and long-term partnerships, fostering healthy competition and mutual growth within our supply chain.

Quality in Our Supply Chain

SERVICE QUALITY

We routinely evaluate our suppliers once they are approved and pre-qualified, considering criteria such as technical capacity, inventory, and past performance

COMPETITIVE SUPPLIERS

We prioritise regulatory compliance when sourcing materials, without compromising on competitive pricing and quality

EFFICIENT MANAGEMENT

We expect our suppliers to adhere to the plan, adapt to changes, and cooperate effectively

While not bound to a formal local procurement policy, Taliworks places great emphasis on local sourcing, reflecting our commitment to supporting communities, enhancing operational efficiency, and promoting sustainable practices. By partnering with local suppliers, we ensure consistent and timely access to goods and services, contribute to the growth of the domestic economy, and lower our carbon footprint, aligning our operations with environmentally conscious business principles.

Division	New Suppliers	Total Suppliers	Proportion of Local Suppliers (%)	Proportion of Spending on Local Suppliers (%)
Group	33	53	98.2	98.2
Water Treatment and Supply	0	360	100	100
Highway Toll Concessionaire, Operations and Maintenance Operator	5	229	100	100
Engineering and Construction	7	363	100	100
Waste Management	129	600	99.8	99.9
Renewable Energy	16	48	83	90
Total	**190**	**1,653**	-	-

Supplier Assessment

To support our vision for a sustainable and resilient supply chain, we prioritise collaboration with contractors, sub-contractors, and suppliers who demonstrate a strong commitment to quality, environmental sustainability, and workplace safety. Each business division carries out tailored assessments to evaluate supplier performance and ensure alignment with specific operational needs. By maintaining rigorous evaluations, we foster partnerships that support our risk management strategies and enhance the reliability of our business processes.

Division	Supplier Assessment Approach	Our Progress in FY2024
Group	We maintain responsible procurement practices guided by the Group Administrative Department ("GAD"), prioritising local suppliers to support nation-building and empower local businesses. Additionally, our Sustainability Procurement Policy promotes sustainable purchasing by favouring energy-efficient, eco-friendly products and ensuring their responsible disposal.	**Suppliers assessed:** **33** All suppliers met expectations.
Water Treatment and Supply	Suppliers for the Water Treatment and Supply Division are required to register products with SPAN in accordance to regulations, where applicable, and comply with health and safety standards, with the addition of chemical suppliers having to provide certificates of analysis. SPAN audits and Taliworks annual supplier evaluations further fortify the culture of compliance in the supply chain.	**Suppliers assessed:** **360** All suppliers met expectations.
Highway Toll Concessionaire, Operations and Maintenance Operator	We utilise a scoring system based on best practice criteria as well as regular performance monitoring to evaluate our vendors, where underperformers are excluded from receiving Request for Quotations ("RFQs") from Grand Saga and Grand Sepadu and high performers being prioritised for future projects. The retention of top performing contractors helps reduce disruptions and costs due to their operational familiarity. The division also enforces strict measures to prevent the use of illegal labour by validating work permits during supplier screening and conducting regular on-site inspections.	**Suppliers assessed:** **229** All suppliers met expectations.

Division	Supplier Assessment Approach	Our Progress in FY2024
Engineering and Construction	The division maintains a List of Approved Subcontractors and Suppliers, authorising only qualified providers for projects. New suppliers are rigorously assessed on areas including technical skills, financial stability, compliance, and quality management while approved suppliers are regularly evaluated on pricing, delivery, quality, efficiency, and adaptability, among others. Ongoing performance reviews ensure high standards for active and recently completed projects where underperforming providers may face conditional approval or removal.	**Suppliers assessed:** **363** All suppliers met expectations.
Waste Management	Adopting a process based approach, the division evaluates suppliers and contractors twice every 6 months through a thorough background check and assessment against criteria such as ISO 9001 compliance, sustainability, and integrity standards. Performance is regularly monitored post-engagement to ensure alignment with agreed requirements and national solid waste management objectives.	**Suppliers assessed:** **507** All suppliers met expectations.
Renewable Energy	Our screening criteria for potential suppliers include their portfolios, corporate and financial backgrounds, technical capabilities, staff qualifications, available equipment and facilities, certifications, regulatory compliance, and commitment to a Quality Management System.	**Suppliers assessed:** **36** All suppliers met expectations.

Customer Management

Guided by the principle of upholding trust to build and maintain strong business relationships, we are dedicated to offering exceptional service and customised solutions that cater to the unique requirements of our varied customer base, which includes public users and corporate clients across all divisions. Each division remains focused on delivering outstanding customer experiences by addressing customer needs, incorporating feedback, and maximising value. Upholding our reputation as a responsible organisation, we align our efforts with Pillar I of our Sustainability Framework, "Better Business Through Innovation,"with a commitment to enhancing customer management and satisfaction throughout the Group.

SUSTAINABILITY STATEMENT

Below, we detail how each division contributes to this goal.

Water Treatment and Supply Division

Ensuring Agreement Provider's Satisfaction

63% Overall Satisfaction Score (FY2023: 78%)

Taliworks places a large importance on the satisfaction of our agreement provider, Air Selangor, as well as the bodies involved in the fulfilment of our services. Our regular assessment of their satisfaction is done through proactive engagements such as operation and maintenance meetings, remedial meetings, and new project meetings involving SSP2 and SSP3. These efforts are aimed at ensuring a consistent water supply and delivering clean water while maintaining the highest standards of reliability and service quality.

Engineering and Construction Division

Ensuring Client Satisfaction

84% Average Satisfaction Score for RSP2 (FY2023: 86%)

95% Average Satisfaction Score for RSP3 (FY2023: 81%)

We understand that aligning our projects with customer expectations is key to maintaining strong client relationships and delivering successful outcomes. To ensure this alignment, we actively gather feedback through annual Client Satisfaction Surveys, focusing on critical aspects such as project management, service quality, and delivery. A testament to our efforts, the division has surpassed its performance targets for the second year in a row. By providing open channels for ongoing feedback, we continuously refine our services to meet and exceed client expectations, ensuring every project is managed with the highest standards of quality and efficiency.

Highway Toll Concessionaire, Operations and Maintenance Operator Division

Caring for Our Road Users

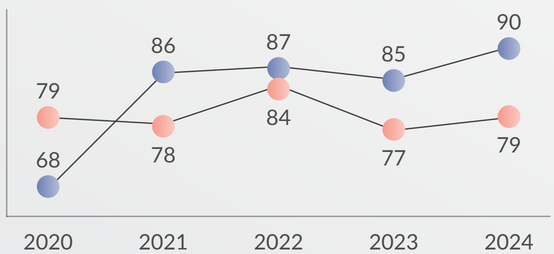
90% Average Satisfaction Score - Grand Saga (FY2023: 85%)

79% Average Satisfaction Score - Grand Sepadu (FY2023: 77%)

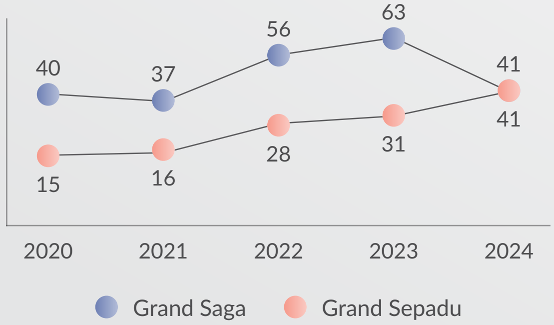
We aim to provide road users with a smooth and safe experience on our highways by leveraging technology and improving infrastructure. To address user feedback effectively, we offer a 24-hour hotline, engage on social media platforms, and maintain a dedicated email service. Complaints and queries are routed to the appropriate teams within two days, with a resolution goal of seven days.

The division remains dedicated and vigilant in improving key areas, including repairing potholes, enhancing RSA and lay-by facilities, and ensuring all streetlights are functioning to provide a safe and reliable travel experience.

Road user satisfaction rates for the past five (5) years (%)



Complaints received for the past five (5) years



Waste Management Division

Caring for Our Customers

Recognising the critical role of waste management in public health and safety, we have established multiple communication channels for the public to provide feedback, lodge complaints, or make reports. These include email, a hotline call centre, social media, and the official government complaint platform. Our Customer Relationship Management ("CRM") team, supported by Talian Indahkan Malaysia, handles all feedback through structured guidelines, ensuring prompt and effective resolution. In FY2024, public complaints totalled 990, marginally higher than our target threshold of 900.

To enhance efficiency, we utilise the "MResponz system", which streamlines customer communication and complaint management through direct access to our Call Centre. Customer satisfaction is assessed annually via surveys on the public complaint platform. We serve 27 local authorities and received a total of 87 monthly complaints, reflecting our commitment to addressing community concerns promptly and efficiently.

While the division did not have a customer satisfaction survey in FY2024, our monthly performance evaluations ensure continuous improvement, with insights from threshold reports and operations committee feedback driving enhancements to waste collection and cleaning services. Additionally, we have enhanced our website with Frequently Asked Questions ("FAQs") and more accessible information to improve public engagement.

Renewable Energy Division

Establishing Customer Trust

100%
Average Satisfaction Score

With a steadfast focus on customer experience as the foundation of our operations, our newly established division maintains regular customer engagement initiatives, emulating best practices from other divisions to effectively meet customer needs. Monthly meetings and on-site visits with key customers are conducted, enabling us to gain valuable insights into their requirements and promptly address feedback. This proactive approach has strengthened partnerships and fostered a deeper understanding of customer expectations.

Data Protection and Privacy

At Taliworks, we leverage digitalisation to improve productivity and enhance the experiences of our customers and employees within our core businesses. However, this technological advancement also increases our exposure to cybersecurity risks. To manage and mitigate this threat, we actively implement stringent cybersecurity measures, ensuring the protection of personal and customer data from unauthorised access and breaches. We are dedicated to continuously strengthening our cybersecurity protocols and data governance standards to secure our systems.

As part of our approach, we have implemented a guiding set of Information Technology ("IT") policies that adhere to the Personal Data Protection (Amendment) Act 2024, supplemented by IT management certifications. These policies detail our procedures for the collection, recording, and secure storage of customer personal data.

ZERO
SUBSTANTIATED COMPLAINTS OR CASES OF CUSTOMER DATA BREACHES, LEAKS, THEFTS, OR LOSSES IN FY2024

We prioritise developing and educating our employees on the importance of IT security and their role in upholding it, an effort reflected in our induction programme where employees are briefed on data protection and privacy. In FY2024, we strengthened our cybersecurity strategy by maintaining monthly phishing awareness training and enhancing our monitoring for proactive threat detection, in line with ISO 27001:2022 standards. We also updated our internet and email usage policies and integrated key data protection training into our employee induction programme, emphasising every staff member's role in upholding IT security.

As we continue to leverage innovation and technology for growth, we are committed to continuously improving our data protection and privacy measures.

Performance Data Table
Bursa Malaysia Common Sustainability Matters ("CSM") Indicators

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-executive/Technical Staff	Percentage	100.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	899,276.00	496,279.00	738,095.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	711,591	21,918
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	-	0.00	0.00
Senior Management Between 30-50	Percentage	-	35.00	17.00
Senior Management Above 50	Percentage	-	65.00	83.00
Management Under 30 [a]	Percentage	-	-	0.00
Management Between 30-50 [a]	Percentage	-	-	40.00
Management Above 50 [a]	Percentage	-	-	60.00
Executive Under 30	Percentage	-	18.00	16.00
Executive Between 30-50	Percentage	-	65.00	66.00
Executive Above 50	Percentage	-	17.00	18.00
Non-executive/Technical Staff Under 30	Percentage	-	22.00	22.00
Non-executive/Technical Staff Between 30-50	Percentage	-	59.00	60.00
Non-executive/Technical Staff Above 50	Percentage	-	19.00	18.00
Gender Group by Employee Category				
Senior Management Male	Percentage	-	77.00	83.00
Senior Management Female	Percentage	-	23.00	17.00
Management Male [a]	Percentage	-	-	55.00
Management Female [a]	Percentage	-	-	45.00
Executive Male	Percentage	-	56.00	56.00
Executive Female	Percentage	-	44.00	44.00
Non-executive/Technical Staff Male	Percentage	-	90.00	91.00
Non-executive/Technical Staff Female	Percentage	-	10.00	9.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	75.00	71.00	60.00
Female	Percentage	25.00	29.00	40.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	29.00	29.00	40.00
Above 50	Percentage	71.00	71.00	60.00

Internal assurance | External assurance | No assurance | (*)Restated

[a] In FY2024, we have enhanced the disclosure of employee category to include Management level information as a distinct level within our employee category breakdown. The Senior Management category data recorded in FY2023 encompasses Senior Management and Management.

Indicator	Measurement Unit	2022	2023	2024
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	165,658.40	702,991.39*	711,277.50
Bursa C4(a) Total energy consumption	Gigajoules	596,370.30	2,530,769.00*	2,560,599.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR") [b]	Rate	0.30	0.30	0.36
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	10,298	5,812
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	-	1,152	4,654
Executive	Hours	-	12,919	21,142
Non-executive/Technical Staff	Hours	-	31,503	38,936
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	19.00	2.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	-	0	1
Executive	Number	-	62	20
Non-executive/Technical Staff	Number	-	1,361	119
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.80	95.20	98.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	141.70	116.90	125.86
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	37,652.20	32,116.30*	30,173.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	6.30	890.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	32,110.00*	29,283.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	77,763.00	30,129.39*	31,564.76
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	-	87,287.93*	115,135.40
Bursa C11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	10,252.00

Internal assurance | External assurance | No assurance | (*)Restated

* Figures have been restated to reflect the accurate data.
[b] The Lost Time Incident Rate ("LTIR") has been measured by business divisions, which cumulatively contribute to the Group's total LTIR.

Assurance Statement

Bureau Veritas Certification

INDEPENDENT LIMITED VERIFICATION STATEMENT

To: The Stakeholders of Taliworks Corporation Berhad
Kuala Lumpur, Malaysia

Introduction and objectives of work

Bureau Veritas Certification (M) Sdn. Bhd has been engaged by Taliworks Corporation Berhad to provide limited verification over Scope 1 and Scope 2 greenhouse gas (GHG) emissions data for the period from January 1 to December 31, 2024. This Verification Statement applies to the related information included within the scope of work described below. The overall objective of this process is to provide verification to Taliworks Corporation Berhad stakeholders over the accuracy, reliability and objectivity of the GHG emissions data presented in the Taliworks Corporation Berhad 2024 Annual Report.

Scope of work

Our work focused on verifying the Scope 1 and Scope 2 GHG emissions data for Taliworks Corporation Berhad. This verification covered operations at Taliworks Corporation Berhad. The GHG emissions data reviewed pertain to the period from January 1 to December 31, 2024.

The verification boundary encompassed the following GHG emissions and related data from activities under the Taliworks Corporation Berhad operational control:

- Direct GHG emissions (Scope 1): Emissions from the owned or controlled sources.
- Indirect GHG emissions (Scope 2): Emissions from purchased electricity.

Limitations and exclusions

The scope of our work excludes the verification of:

- activities occurring outside the defined verification period.
- other environmental information included in the Annual Report.

This limited verification engagement is based on a risk-based sampling approach, which inherently involves certain limitations. Consequently, this independent statement should not be relied upon to identify all errors, omissions, or misstatements that may be present.

Responsibilities

The preparation and presentation of the GHG emissions in the 2024 Annual Report are solely the responsibility of the Taliworks Corporation Berhad management.

Bureau Veritas Certification

Bureau Veritas Certification (M) Sdn Bhd did not participate in drafting the report. Our responsibilities were as follows:

- To obtain limited verification of whether the GHG emissions data has been appropriately and accurately prepared.
- To form an independent conclusion based on the verification procedures performed and the evidence obtained.
- To report our conclusions to the management of the Taliworks Corporation Berhad.

Assessment Standard

We performed our work in accordance with the following methodology and standards and Bureau Veritas' standard procedures and guidelines:

- ISO 14064-3: 2019 Specification with guidance for the verification and validation of greenhouse gas statements; and
- Greenhouse Gas Protocol Corporate Standard

Summary of work performed

As part of its independent verification, Bureau Veritas Certification (M) Sdn Bhd undertook the following activities:

1. Assessed the appropriateness of the reporting boundary to ensure completeness.
2. Interviewed relevant personnel responsible for gathering and compiling information. Conducted a thorough review of data and calculation methods.
3. Reviewed internal and external documentation and verify the accuracy of data collected from various sources.
4. Reviewed the data collection procedure and consolidation processes used to compile the GHG information, including the assumptions made and the emission factors; and
5. Validated the aggregation calculations of the GHG emissions.

Conclusion

Based on our methodology and the activities conducted within the agreed scope of work, no evidence has come to our attention to suggest that the reviewed GHG emissions statements are inaccurate or that the information presented is not fairly stated.

Bureau Veritas Certification

In line with the scope of the verification process, Bureau Veritas Certification (M) Sdn Bhd provides the following opinion:

- The accuracy of GHG emissions data disclosed in the Taliworks Corporation Berhad Annual Report is fair, reasonable, and appropriately presented.
- The responsible personnel demonstrated a clear understanding of the data's origin and interpretation as reported.
- The Taliworks Corporation Berhad has established effective systems to collect, aggregate, and analyse quantitative data for determining Scope 1 and Scope 2 GHG emissions within the defined boundaries and reporting period.
- The following GHG emissions were confirmed as below.

Taliworks Corporation Berhad GHG emissions	tCO_2e
Scope 1	31,564.76
Scope 2	115,135.40

Statement of Independence, Integrity and Competence

Bureau Veritas Certification (M) Sdn Bhd is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with almost 195 years of history in providing independent validation and verification services.

Bureau Veritas Certification (M) Sdn Bhd has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

We have conducted this validation independently and there has been no conflict of interest.

The verification team has extensive experience in conducting verification over environmental, social, ethical, and health & safety information, systems and processes an excellent understanding of Bureau Veritas Certification (M) Sdn Bhd standard methodology for the verification of greenhouse gas emissions data.

This verification statement, including the opinion expressed herein, is provided to Taliworks Corporation Berhad and is solely for the benefit of Taliworks Corporation Berhad in accordance with the terms of our agreement. We consent to the release of this statement by you to others interest party to satisfy the terms of disclosure requirements but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this statement.

Bureau Veritas Certification

Attestation:

Bureau Veritas Certification (M) Sdn. Bhd
Kuala Lumpur, Malaysia

TOH KET TIONG
LEAD VERIFIER
Date: 24 March 2025

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control ("Statement") is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires the board of directors ("Board") to include in this Annual Report a statement about the state of risk management and internal controls of the Company and its subsidiaries ("Group").

This Statement also provides an insight on how the Board has established an effective risk management and internal control framework including its features, adequacy and effectiveness as required under Principle B (II) of the Malaysian Code on Corporate Governance 2021 issued by the Securities Commission of Malaysia.

1.0 BOARD RESPONSIBILITIES

- To enable the Group to achieve its business objectives, the Board is responsible for identifying and managing principal risks (both current and emerging) by establishing a sound risk management framework and in maintaining an appropriate system of internal controls within the Group including ensuring the adequacy, integrity and effectiveness of this system.

- The Board is aware that the risk management framework and system of internal controls are designed to minimise and manage risks at an acceptable level rather than to eliminate them. A risk management framework and system of internal controls can only provide reasonable but not absolute assurance against any failure by the Group to meet its business objectives or to detect material errors, losses, fraud or breaches of laws, rules or regulations.

- Accordingly, the Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Group's business objectives can be mitigated and managed by the establishment of a proper and sound risk management framework and in the maintenance of an appropriate system of internal controls.

- Accompanying the maintenance of an appropriate system of internal controls, is an ongoing process to identify, evaluate, monitor and manage principal risks faced by the Group and is generally in line with the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) which is intended to guide directors of listed issuers in making disclosures concerning risk management and internal controls in their company's annual report.

2.0 RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

- Proper risk management and internal controls are important aspects of the Group's governance, management and operations. Risk management focuses on identifying threats and opportunities while internal controls help counter threats and take advantage of opportunities. Proper risk management and internal controls assist the Group in making informed decisions about the level of risk that it wants to take and implement the necessary controls to effectively pursue its objectives.

2.0 RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

- In fulfilling its responsibilities, the Board has established an Enterprise Risk Management ("ERM") Framework by adopting the Risk Management Policy and Guidelines Document which is designed to:-

  (i) establish the context for an embedded ERM framework within the Group;

  (ii) formalise the ERM functions across the Group;

  (iii) sensitise the Group's personnel to be more adapted to risk identification, measurement, controls, ongoing monitoring, responsibilities and accountabilities;

  (iv) coordinate and standardise the understanding and application of ERM within the Group; and

  (v) prove compliance by the Board with its organisational obligations and duties of care and diligence in accordance with good corporate governance practices promulgated by the Malaysian Code on Corporate Governance and the Main Market Listing Requirements via a structured documentation process.

  The Risk Management Policy and Guidelines Document was adopted since 2012 and it was subsequently updated in 2021 due to revisions made to the Main Market Listing Requirements and the Malaysian Code on Corporate Governance. The next review is scheduled to be undertaken in 2025.

3.0 GOVERNANCE

The Group's ERM Framework consists of risk organisational structure to ensure that roles, responsibilities and accountabilities are clearly defined and communicated at all levels to implement the risk management processes. The ERM is an ongoing process to identify, evaluate, monitor, and manage principal risks that affect or will potentially undermine the achievement of the Group's business objectives both now and into the future as explained in the following paragraphs:

3.1 Board

The Board is responsible in identifying and managing risks and in maintaining an appropriate system of internal controls within the Group. This responsibility is delegated to the Audit and Risk Management Committee ("ARMC") under the terms of reference of the ARMC.

3.2 ARMC

The assessments of both the risk management function and system of internal controls are undertaken by the ARMC which reports its findings to the Board. Whilst the ARMC has delegated the implementation of the system of internal controls to the Management, it is assisted by the Group Internal Audit, an in-house internal audit function which provides an independent assessment and relevant assurance on the adequacy, integrity and effectiveness of the risk management function and system of internal controls based on findings from internal audit reviews carried out throughout the year. The Group's ERM activities are undertaken twice a year and reported to the Board bi-annually by the ARMC whereas internal audit findings are reported to the Board on a quarterly basis by the ARMC.

3.0 GOVERNANCE (CONT'D)

3.3 Risk Management Working Group

- In respect of the risk management function, this role is undertaken by the Risk Management Working Group ("RMWG") which reports its findings directly to the ARMC. In accordance with its terms of reference, the RMWG is chaired by the personnel designated as the chief executive officer or the executive director of the company and shall consist of no fewer than three other members, comprising the following:-

  (i) the personnel designated as the chief financial officer of the Group; and

  (ii) such any other directors and officers of the company and/or the Group as may be determined by the Board and/or the ARMC.

- For the year under review, members of the RMWG comprise the Executive Director as the chairperson, a non-Executive Director, the General Manager, Group Finance and the former head of the Water Treatment and Supply division. All of them attended the RMWG meetings held for the year.

3.4 Internal Audit Function

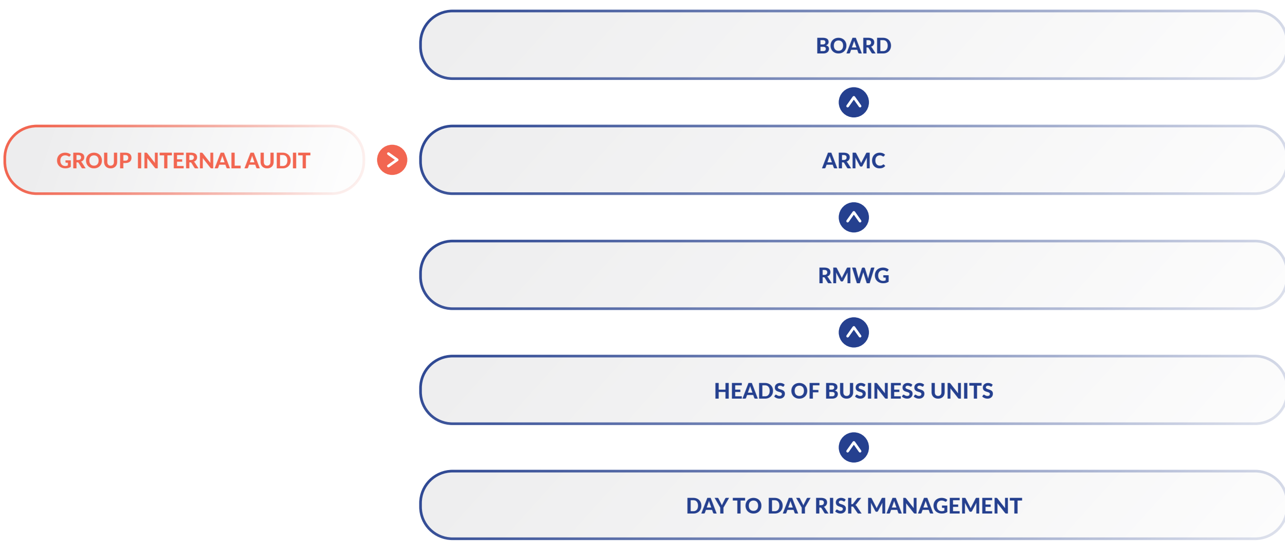
- The internal audit function is undertaken internally within the Group to provide independent internal audit services to the Group. To ensure the governance, risk management and internal control processes are effective, the internal audit function conducts regular reviews and appraisals on the business operations of the Group according to the Internal Audit Plan approved by the ARMC.

- The key role of the Group Internal Audit is to assess the Management's adherence to established policies and procedures as well as acting as an independent sounding board to the ARMC concerning areas of weaknesses or deficiencies in the risk management, governance and control processes for appropriate remedial measures to be carried out by the Management.

Further details on the functions and activities of the Group Internal Audit are found in the ARMC Report included in this Annual Report.

3.5 Governance Structure

To ensure that proper risk management is being undertaken and the system of internal controls are adequate and effective, the following is the governance structure of the Group's ERM and internal control framework:



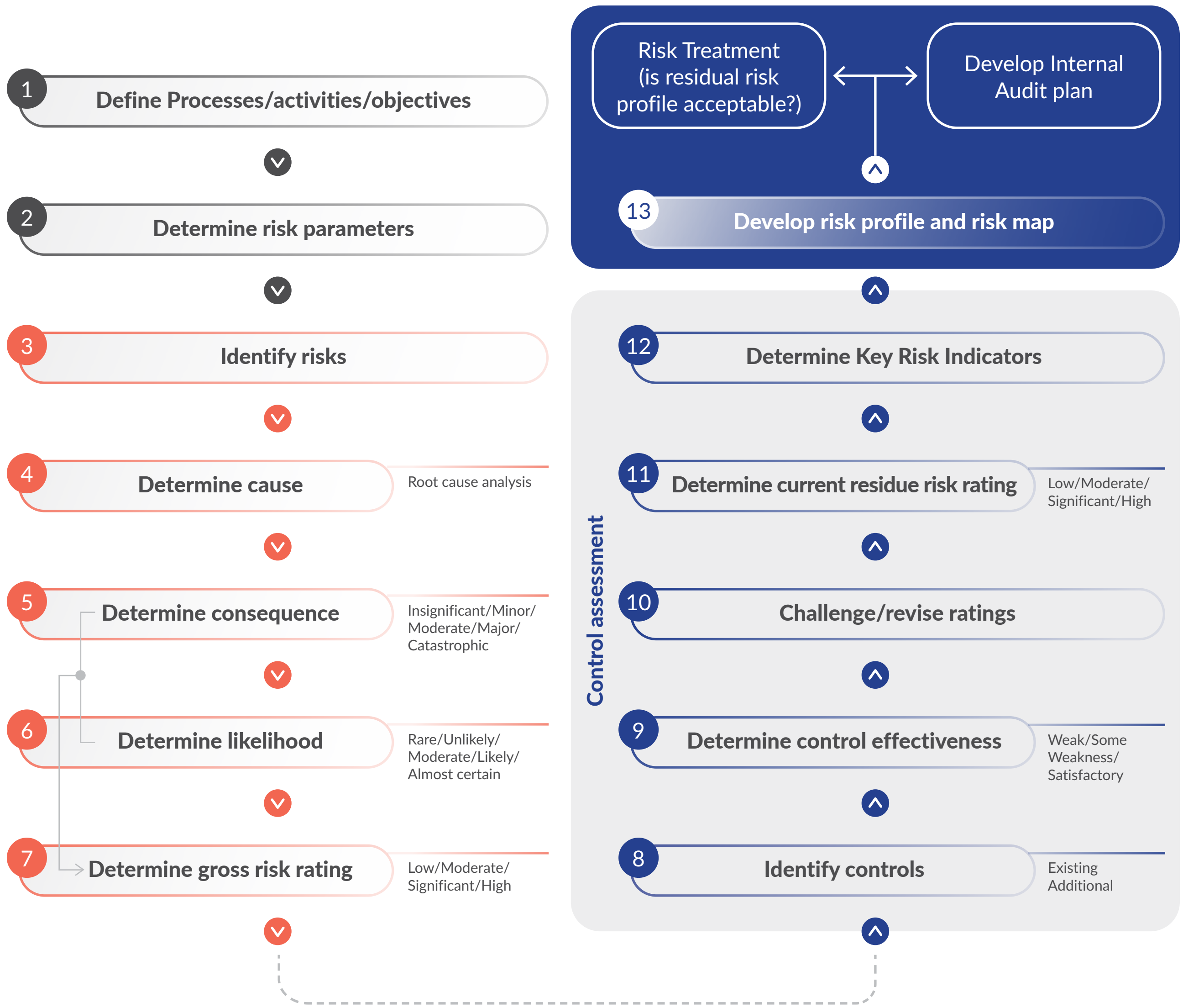
4.0 COVERAGE

- The business operations of the Group are subjected to internal audits and risk management assessments.
- The ARMC reviews the appropriateness of the system of internal controls in joint ventures which contribute significantly to the Group through the Group Internal Audit.
- The RMWG will evaluate the risk management policies and processes adopted and risk management reports submitted by major joint ventures and associates that contribute significantly to the Group.

5.0 ENTERPRISE RISK MANAGEMENT FRAMEWORK

5.1 The Key Steps Undertaken in the Risk Management Process

The following summarises the key steps undertaken by the Group in identifying, measuring, controlling, monitoring and reporting of risks under the ERM Framework:-



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5.0 ENTERPRISE RISK MANAGEMENT FRAMEWORK (CONT'D)

5.1 The Key Steps Undertaken in the Risk Management Process (Cont'd)

- A Risk Profile together with a Risk Register are prepared for the purposes of identifying, evaluating, monitoring, managing and reporting of risks. In this respect, risk owners are responsible to determine the risk parameters, identify the risks, determine the causes, consequences and likelihood of occurrence to arrive at the Gross Risk Rating.

  Thereafter, risk owners will identify appropriate controls that are in place and any additional controls to be implemented and determine their overall strength and effectiveness to arrive at the Residual Risk Rating. The risk owners will periodically evaluate the strength and effectiveness of the existing controls to determine if the controls are sufficient and the risk has been lowered to an acceptable level. The Key Risk Indicators are metrics used to indicate the severity of a certain risk. Risk owners will then decide on the risk tolerance level to either terminate, reduce, accept or pass on the risks.

- The Risk Profile and Risk Register are updated by the risk owners twice a year to ensure that the ERM process remains robust and the Risk Profiles and Risk Registers continue to be relevant. Risk owners will update in the Risk Register the action plans taken or to be taken and indicate the timeframe for actions to be taken to mitigate the risks identified.

- The risk owners, who are normally at the operational level, will report the status of risks to the head of business units who then collates and summarises the risks to be briefed to the RMWG on a bi-annual basis.

- This ERM process is an ongoing process undertaken by the Group and such process has been in place for the year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

5.2 Main Features of the ERM framework

The main features of the Group's ERM Framework involve the following key processes:-

(i) The Management develops, operates and monitors the system of internal controls to address the various risks faced by the Group.

(ii) A database of identified risks and controls is maintained and updated, and the information filtered to produce detailed Risk Registers and individual Risk Profiles. Key risk areas are identified and scored for likelihood of the risks occurring and the magnitude of the impact.

(iii) Risk assessment reports are submitted bi-annually and briefed by the heads of business units to the RMWG in a meeting, attended by the head of the Group Internal Audit, where the following are reported:-

  (a) the current status or new developments in any of the risks identified;

  (b) any changes to the Risk Profile including new or removal of risks that were previously reported and the reason(s) thereof;

  (c) any new or additional controls that have been put in place to mitigate the risks, the existing overall strength and effectiveness grading of the controls; and

  (d) the status of action plans to address each of the risks by the risk owners. Specific action plans and the timeline for the action plans to be implemented are documented in the Risk Registers by the risk owners.

5.0 ENTERPRISE RISK MANAGEMENT FRAMEWORK (CONT'D)

5.2 Main Features of the ERM framework (Cont'd)

(iv) The meetings of the RMWG are held prior to the ARMC meetings. The RMWG, through the General Manager, Group Finance, reports its findings to the ARMC which then reports to the Board. Minutes of the RMWG meetings are made available to the ARMC at subsequent meeting of the ARMC.

(v) All updated Risk Profiles and Risk Registers are tabled to the ARMC after they have been considered and deliberated by the RMWG.

(vi) Annual assessment is conducted selectively at operational sites by the General Manager, Group Finance, representing the RMWG together with the risk owners where existing controls are verified to ensure their validity and evaluations are conducted to determine their effectiveness. These assessments are important to collaborate on the appropriateness of the matters disclosed in the Risk Profile and Risk Register presented by the heads of business units to the RMWG.

(vii) Where appropriate, the Group Internal Audit will develop their internal audit plans around the risks identified.

5.3 Risk Matrix

To ensure that the assessment of risk management is applied consistently across all business divisions, the RMWG has adopted the following standard Risk Matrix.

Risk Rating					
Impact / Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Significant	Significant	High	High	High
Likely	Moderate	Significant	Significant	High	High
Moderate	Low	Moderate	Significant	High	High
Unlikely	Low	Low	Moderate	Significant	High
Rare	Low	Low	Moderate	Significant	Significant

Likelihood of Occurrence	
Description	**Risk Likelihood Description**
Almost Certain	Happens frequently
Likely	Likely to occur
Moderate	Might occur. Happened before but very rare
Unlikely	Unlikely to occur. Happened before but extremely rare
Rare	Has never occurred before and is not expected to occur

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5.0 ENTERPRISE RISK MANAGEMENT FRAMEWORK (CONT'D)

5.3 Risk Matrix (Cont'd)

Magnitude of Impact		
Description	Financial Considerations % of Budgeted EBITDA	Non-Financial Considerations
Catastrophic	> 75%	• Reputation/Image • Service/operations disruption • Business continuity • Project delay • Damage to life, property, environment • Management involvement
Major	50-75%	
Moderate	25-50%	
Minor	5-25%	
Insignificant	< 5%	

- Although the assessment of the Likelihood of Occurrence and Magnitude of Impact are subjective in nature, nevertheless the description thereto provide guidance to the risk owners to ascertain according to their best judgement and knowledge on:-

  (i) the likelihood that a risk event will occur or has occurred; and

  (ii) the level of impact of the risk based on both financial and non-financial considerations.

- There may be certain circumstances where the non-financial criteria of a particular risk are given higher consideration than the financial considerations e.g. where it involves reputational risk which is hard to quantify. Once the Likelihood of Occurrence and Magnitude of Impact have been ascertained, they will be mapped to determine the Risk Rating.

6.0 REPORTING OF KEY RISKS

- The Group, through its normal day-to-day operations, is exposed to various types of risks that could adversely affect the Group's business objectives, reputation, operating results, financial position and its stakeholders. Key risks are monitored regularly by the risk owners and are escalated immediately to the Management if such situation arises. Status of risks are reported to the RMWG, ARMC and Board on a bi-annual basis.

- For the year under review, the Group has identified several risks which were more prevalent among businesses in the Group. Below is a summary of the key risk factors that the Group has focused on.

6.0 REPORTING OF KEY RISKS (CONT'D)

Risk Management Category	Key Risks	Description
Operational and Regulatory	**Concessions and Contracts**	The Group's businesses are primarily premised on concessions and key contracts and as such, it faces inherent political and regulatory risks due to concentration of regulated businesses. Any cancellation, expiration, termination or re-negotiation of these concessions or key contracts may have an adverse impact on the financial condition and results of the operations of the Group. Having an established track record in operations and maintenance coupled with legal protections accorded in these concessions and key contracts would minimise the Group's exposure to such risks.
Cybersecurity	**Cyber Threats**	Cybersecurity consists of technologies, processes and controls designed to protect systems, networks, programmes, devices and data from cyberattacks. The Group has put in place cybersecurity protocols that reduce the risk of cyberattacks and protect the Group's IT infrastructure and end-point equipment against unauthorised exploitation of systems, networks and technologies such as ransomware, phishing email and spoofing email.
Business Continuity and Resilience Risks	**Natural Disasters and Climate Change**	Disruptions to operations maybe caused by natural disasters such as heavy rains, flooding or drought arising from extreme weather conditions brought about by climate change. The impact from natural disasters on the operations may vary depending on the severity but to-date, there has not been a prolonged disruption arising from natural disasters. Nevertheless, the Group would be concerned with the long-term impact of climate changes which may severely jeopardise the business continuity of the Group's business e.g. arising from:- (a) shortage of raw water sources and rising sea levels which will impact the production of treated raw water; (b) severe weather conditions which will impact the integrity of highway infrastructure, occurrence of flooding at low lying areas where some of the Group's infrastructure assets are located. To address these risks, the Group has implemented several risk mitigation plans e.g. long-term planning of additional raw storages, flood emergency response plan etc.

- Internal controls (existing and additional) which have been put in place, and/or are in development to mitigate the abovementioned key risks, are then evaluated by grading the existing overall strength and effectiveness as part of the ERM's ongoing monitoring practices.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

7.0 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") AND CORRUPTION RISKS

- As sustainability and the underlying ESG issues become increasingly critical to the ability of companies to create durable and sustainable value and confidence to stakeholders, the RMWG has taken proactive measures to anticipate and address material ESG risks and opportunities. In this respect, the Group has undertaken risk assessment to identify and determine the ESG risks within the Group specifically to evaluate their impact to the Group's operations and accordingly take appropriate action plans to mitigate these risks.

Material ESG risks to the Group have been identified and are elaborated in the Sustainability Statement included in this Annual Report.

- In its efforts to minimise the incidences of corruption and bribery, the Group has in place an Anti-Bribery Management System ("ABMS") and an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") which cover all operations undertaken by the Company (including entities over which it has control), to all levels of employees, and any person associated with the Group. As part of the ABMS, the Group undertakes a corruption risk assessment on an annual basis as required under Paragraph 15.29(1)(c) of the Main Market Listing Requirements.

The ABMS, ABAC Policy and the governance structure of the Group's anti-bribery programme are elaborated in the Sustainability Statement included in this Annual Report.

8.0 OTHER KEY ELEMENTS OF GOVERNANCE, RISK MANAGEMENT AND CONTROLS

Other key elements of governance, risk management and controls established by the Group, amongst others, are as follows:-

(i) clearly defined governance structure with the respective terms of reference, duties and responsibilities of the Board, the Board Committees and Company Secretaries, as described in the Corporate Governance Overview Statement.

(ii) clearly defined delegation of responsibilities to the Board Committees and to the Management, including appropriate authorisation levels in the form of written Limits of Authority to assist the Board, Board Committees and the Management in determining the appropriate levels of authority in approving transactions or attending to certain issues related to corporate, finance, legal, secretarial, public affairs and investor relations matters. The Limits of Authority of the Company were last reviewed in 2022.

(iii) attendance and recording of minutes of Board and Board Committees by the Company Secretaries and attendance and recording of minutes of the RWMG and monthly management meetings by the Secretarial department.

(iv) a budgetary process whereby the Executive Committee approves the operating and capital budgets of the key operating units and the Board approves the operating and capital budgets of the Group on a consolidated basis.

(v) review of operational and financial performance by the operating unit's Management at monthly management meetings attended by the Executive Committee, heads of department and business units including the Head of Internal Audit. At these meetings, relevant operational, financial and strategic issues are discussed, deliberated and followed up by the Management and minutes of the meeting prepared by the Secretarial department.

(vi) briefing by the Executive Director to the Board on the operational performance of the Group on a quarterly basis.

(vii) briefing by the General Manager, Group Finance to the ARMC and to Board on the financial performance of the Group on a quarterly basis.

(viii) a yearly assessment undertaken by the External Auditors to identify any significant risks affecting the preparation of the financial statements. Private sessions are held twice a year by the External Auditors with the ARMC without the presence of Management.

8.0 OTHER KEY ELEMENTS OF GOVERNANCE, RISK MANAGEMENT AND CONTROLS (CONT'D)

(ix) briefing by the head of Group Internal Audit to the ARMC on a quarterly basis on the internal audit findings together with any follow up actions taken or to be taken to remedy any significant failings or weaknesses identified from the internal audit findings. Private sessions are held by the Group Internal Audit with the ARMC without the presence of Management.

(x) the existence of a whistleblowing policy and procedure to provide a channel for legitimate concerns related to, amongst others, fraud, financial irregularity, corruption, bribery, serious breaches of the Employees Code of Conduct and Ethics, non-compliance with laws and regulations or company policies, illegal, unethical or questionable practices etc. (collectively referred to as "Misconduct") to be raised or reported, investigated and where necessary, appropriate action to be taken to resolve such issues promptly and effectively within the Group. The Misconduct can be raised to the Executive Director, the Head of Group Human Resource (on staff related matters), head of Group Internal Audit and/or to the Chairman of the ARMC.

The whistleblowing policy is uploaded to the Company's website at https://taliworks.com.my/corporate-governance under the caption "Whistleblowing Policy".

(xi) the provision of a dedicated email address to the Whistleblowing Committee at we_hear@lgb.com.my for reporting of Misconduct.

(xii) the provision of a dedicated email address to the Chairperson of the ARMC at ARMC@taliworks.com.my for shareholders and other stakeholders to communicate with them on matters relating to the Group.

(xiii) a Code of Business Conduct and Ethics for Directors which sets out the general principles and standards of business conduct and ethical behaviour for the Directors in the performance and exercise of their responsibilities as directors of the Company. The Code of Business Conduct and Ethics for Directors was last revised in 2023.

(xiv) a Board Charter that constitutes, and forms, an integral part of the Director's duties and responsibilities. The Board Charter was last revised in 2023.

(xv) a Code of Conduct contained in the Employment Handbook which governs the policies and guidelines relating to the standards and ethics that all employees of the Group are expected to adhere to in discharging their duties and responsibilities. The latest revised Employment Handbook was circulated to all employees in January 2025.

(xvi) an Anti-Bribery Management System approved and adopted by the Group on 1 June 2020 to implement the Guidelines on Adequate Procedures issued pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which requires commercial organisations to establish adequate procedures to avert corruption as a defence against corporate liability under the said Act. Updated anti-bribery procedures were introduced and implemented in January 2024 whilst the ABAC Policy was uploaded to the Company's website at https://taliworks.com.my/corporate-governance under the caption "Policies". The Company has also established an anti-bribery committee, namely the ABMS Committee, to ensure amongst others; the Anti-Bribery Management System implemented is maintained and reviewed to adequately address the Group's bribery risks.

(xvii) the Group has incorporated corruption risks as part of its annual risk assessment. The corruption risk assessment is undertaken and documented in the Risk Registers of individual business units and reported as part of the ERM process.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

9.0 ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

In accordance with Paragraph 42 of the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers), the Board after receiving assurances from the Executive Director and the General Manager, Group Finance, is of the view that the Group's risk management process and internal control systems are operating adequately and effectively in all material aspects. The assurances are also premised on the following:-

(i) the ERM Framework adopted by the Group, the system of internal controls in place and other key elements of governance, risk management and controls established by the Group as elaborated in section 8 above;

(ii) similar written assurance given by the respective heads of business units to the Executive Director; and

(iii) formal feedback on the adequacy of risk management and internal controls from the head of the Group Internal Audit which is based primarily on the scope and coverage of the internal audit's remit for the year under review.

10.0 REVIEW BY THE EXTERNAL AUDITORS

- As required by paragraph 15.23 of the Main Market Listing Requirements, the External Auditors have reviewed this Statement. Their limited assurance review is in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control Included in the Annual Report ("AAPG 3"), issued by the Malaysian Institute of Accountants.

- Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the risk management and internal controls of the Group.

- AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

11.0 AUTHORISATION FOR ISSUANCE

The Board and the ARMC have reviewed and approved this Statement for inclusion in the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THIS CORPORATE GOVERNANCE OVERVIEW STATEMENT, TOGETHER WITH THE CORPORATE GOVERNANCE REPORT, PROVIDE AN OVERVIEW OF THE BOARD OF DIRECTORS' ("BOARD") COMMITMENT TO HIGH STANDARD OF CORPORATE GOVERNANCE PRACTICES, VALUES AND ETHICAL BUSINESS CONDUCT BY DISCLOSING THE APPLICATION OF EACH PRACTICE SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 ("MCCG 2021") PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD. THIS CORPORATE GOVERNANCE OVERVIEW STATEMENT SHOULD BE READ IN TANDEM WITH THE CORPORATE GOVERNANCE REPORT, WHICH HAS BEEN UPLOADED ON THE COMPANY'S WEBSITE.

- In today's dynamic business landscape and heightened stakeholders' expectations, the demand for greater accountability and transparency is expected from the Board in discharging its fiduciary duties in delivering long-term value to shareholders and upholding the rights of other stakeholders. As a direct consequence, greater internalisation of enterprise-wide culture of good corporate governance practices, maintenance of a sound system of internal control, embedding risk management practices and policies into the day-to-day operations, addressing business sustainability issues including environment, social and governance ("ESG") risks and opportunities, as well as adherence to regulatory requirements, are some of the key challenges for the Board.

- Corporate governance involves having processes and structures to direct and manage the business and affairs of the Company towards promoting business prosperity and corporate accountability, with the ultimate objective of realising long-term shareholder value while considering the interest of other stakeholders. Good corporate governance practices underpin a successful and sustainable business. To succeed in the long-term, companies are required to build and maintain successful relationships with a wide range of stakeholders. Accordingly, a company should promote integrity, openness and responsiveness to the views of the stakeholders at large.

- The Board recognises the importance of complying with the Principles and Practices stipulated in the MCCG 2021, published by the Securities Commission of Malaysia on 28 April 2021, and is committed to ensuring that good corporate governance is observed, practised and enhanced throughout the Company and its subsidiaries ("Group") to safeguard the interest of shareholders and other stakeholders, such as our employees, customers, suppliers, and the communities in which the Group conducts its businesses.

- Since the introduction of the first Malaysian Code on Corporate Governance in 2000, the Board has continuously made efforts and availed resources to strengthen the corporate governance framework and practices within the Group, not only to attract but also to retain investors and other valued stakeholders. The Board recognises that good ethical conduct and a high level of accountability are important criteria to support the sustainable development and growth trajectory of the Group's businesses. Good corporate governance is a shared responsibility, with various stakeholders having an equal duty and responsibility to protect and advance their own interests by exercising the rights accorded to them to ensure that the Group is well-governed and driven by the basic tenets of good governance.

- Pursuant to paragraph 15.25(2) of the Main Market Listing Requirements ("Listing Requirements"), the Group has disclosed, in a prescribed format, the extent to which it has applied and complied with the Practices specified in the MCCG 2021 to achieve the Intended Outcome. The detailed application for each of the Practices is disclosed in the Corporate Governance Report 2024 ("CG Report") which is available on the Company's website at https://taliworks.com.my/corporate-governance/ under the caption "Corporate Governance Report". As defined in the MCCG 2021, Intended Outcomes are designed to provide a line of sight on what companies will achieve through implementing the Practices. On the other hand, Practices are actions, procedures, or processes that a company is expected to adopt to achieve the Intended Outcome.

- For 2024, the Group is categorised as a Non-Large Company under the MCCG 2021. Large Companies are defined as companies on the FTSE Bursa Malaysia Top 100 Index or companies with a market capitalisation of RM2 billion and above at the start of a company's financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the year, the Group has applied all the Practices except as follows:-

(a) Practice 8.2 - The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000

The Board will review this and apply the Practice when appropriate.

(b) Practice 13.6 - Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

This will be complied with next year.

- For the Practice where the Group has yet to comply, the explanation for the departures is provided in the CG Report.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities

1.1 Clear Roles and Responsibilities

- The business and affairs of the Group are managed under the direction of the Board. The role of the Board is to collectively allocate resources, set the strategic direction of the Group, and inculcate healthy corporate governance practices within the Group by aligning them with stakeholder expectations while exercising oversight on the management's performance.

- The Board is entrusted to discharge its fiduciary duties and has overall responsibility for the corporate governance practices of the Group, including, amongst others:-

  (a) overseeing the conduct of the Group's business. In this regard, the Board meets quarterly with the management, including the Executive Director, the General Manager, Group Finance and the Company Secretaries, to discuss and deliberate on the agendas put forth at the Board meetings. The important agendas to be deliberated include the reports from the various Board Committees, the Executive Director's Quarterly Operational Report and the Quarterly Financial Interim Report by the General Manager, Group Finance, detailing the operations of each of the business divisions and the financial performance of the Group respectively;

  (b) reviewing and adopting a strategic plan prepared by the Executive Director for the Group's future growth and expansion, with a view of supporting long-term value creation for shareholders;

  (c) reviewing the Group's effort in driving and implementing sustainable business practices covering economic, environmental and social considerations. The Group has established a Sustainability Steering Committee to assist the Board and the Executive Committee ("EXCO") in managing and driving the implementation of the Group's sustainability agenda;

  (d) identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures. To undertake these dual responsibilities, the Board has delegated both the risk management and internal audit functions to the Audit and Risk Management Committee. Detailed descriptions of these functions are elaborated in the Statement of Risk Management and Internal Control and the Audit and Risk Management Committee's Report included in this Annual Report;

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

1.0 Board Responsibilities (Cont'd)

1.1 Clear Roles and Responsibilities (Cont'd)

- The Board is entrusted to discharge its fiduciary duties and has overall responsibility for the corporate governance practices of the Group, including, amongst others:- (Cont'd)

  (e) succession planning to provide for a clear and orderly succession and ensure that all candidates appointed for a particular position are capable and of calibre. To assist the Board in discharging these responsibilities, the Board has adopted the Succession Planning Policy for the Board, Chairman of the Audit and Risk Management Committee and key senior management, as well as a Fit and Proper Policy under the Nominating and Remuneration Committee;

  (f) overseeing the development and implementation of a shareholder communications policy for the Group to enable effective communication with shareholders and other stakeholders. In this respect, the Group has established an investor relation function, led by the Executive Director, and various communication channels and platforms (including the Company's website) where shareholders and other stakeholders can communicate with the Company and vice versa;

  (g) reviewing the adequacy and integrity of the Group's management information and internal control systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. In discharging these responsibilities, the Board has established an internal audit function to assess the adequacy and integrity of the internal control systems. The Board also has at its disposal the services of the Group Legal Advisor and the Company Secretaries to advise on matters relating to regulatory, governance and statutory issues concerning the Group.

- The roles played by the Board and the management are separate and distinct whereby the Board provides the stewardship role whereas the management is given the mandate and authority to implement the strategic directions of the Board. The Board fulfils its fiduciary role by overseeing that the management has undertaken its responsibilities in executing the policies and strategies adopted by the Board and the Board being adequately kept informed on matters relating to the Group's business and financial performance at the Board meetings which are held at every quarter of the year. Where there are important issues that require the Board's immediate attention e.g. major corporate exercises, the Board may convene a special Board meeting.

- The Company and its key operating subsidiaries have established their respective Limits of Authority that define the authority given to the respective management to act on specific matters and any matters that require the approval of the Board, Board Committees, EXCO or the board of the subsidiaries. The Limits of Authority of the Company was last reviewed by the Board in March 2022.

- To further assist the Board in its oversight role, the Board, through the Nominating and Remuneration Committee, has established Key Performance Indicators ("KPI") for the Executive Director that are linked to the Group's financial performance, material sustainability and opportunity, employees' competencies and development and securing of new projects. In the Remuneration Committee meeting held in January 2024, it was concluded that all the KPIs have been met by the Executive Director in respect of the financial year ended 31 December 2023.

- The Board is also guided by the new Guidelines on Conduct of Directors of Listed Issuers and their Subsidiaries ("Guidelines") issued by the Securities Commission ("SC") on 30 July 2020 (and revised 12 April 2021) in discharging their fiduciary duties. These Guidelines set out guidance for the establishment of a groupwide framework to enable among others, oversight of the group performance and the implementation of corporate governance policies.

- The Group has adopted the Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy which are accessible at the Company's website at https://taliworks.com.my/corporate-governance/ under the caption "Policies".

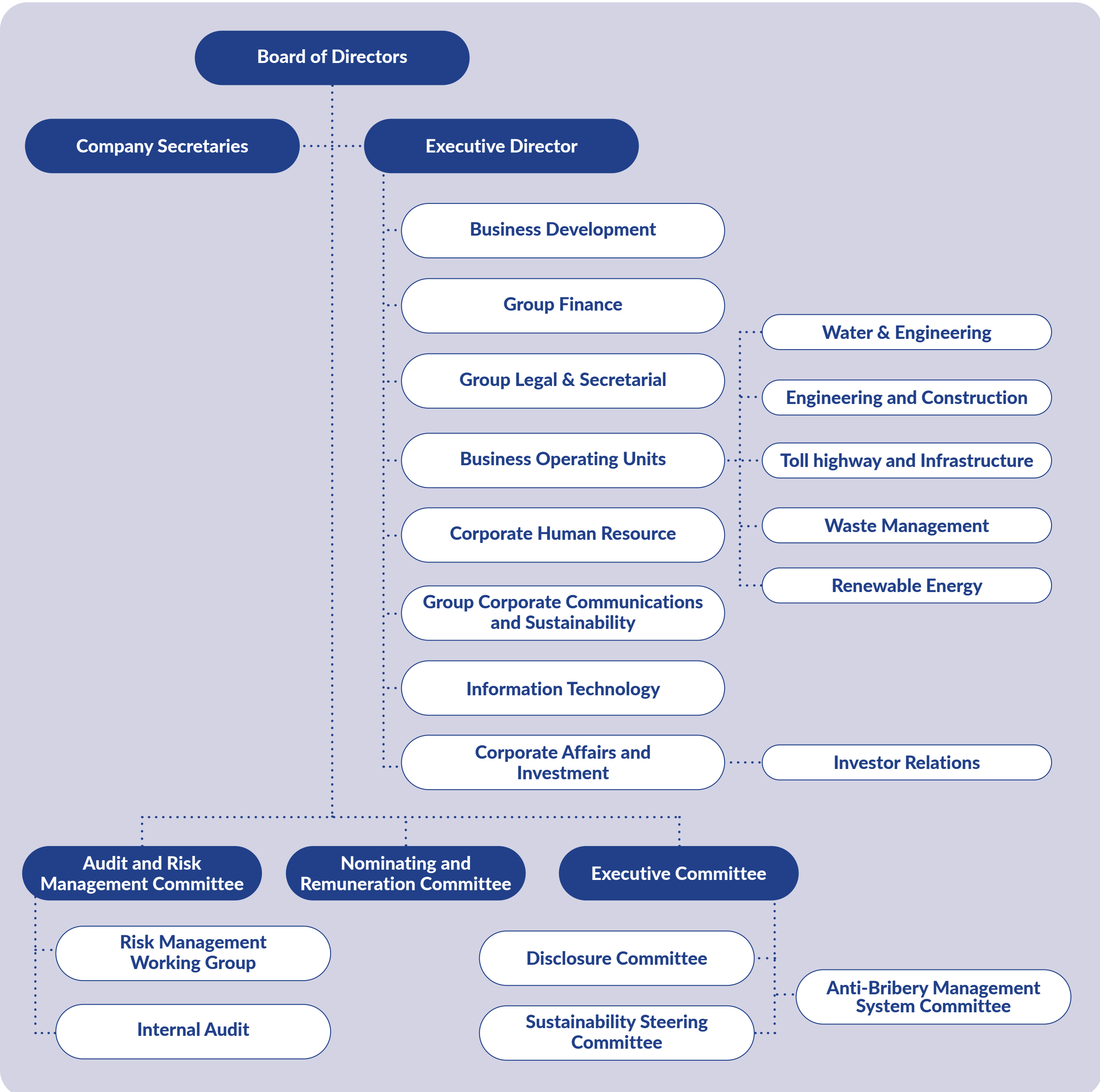
CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.2 Governance Structure

The current governance structure of the Group is as follows:



PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

1.0 Board Responsibilities (Cont'd)

1.3 Executive Committee

- The Board delegates to the Executive Director to manage the Group's business and day-to-day management to achieve the Group's corporate targets and plans.

- To assist the Executive Director in executing the mandates from the Board, an EXCO has been established to speed up the decision-making process on issues that are routine and administrative in nature or on matters that do not require the immediate attention of the Board including approving non-material announcements to the stock exchange.

- Delegation of mandates to the EXCO is subject to defined Limits of Authority and monitoring by the Board. A list of all written resolutions approved by the EXCO is circulated to the Board on a quarterly basis for the Board's notation.

- Members of the EXCO together with other senior management and business divisional heads meet monthly to review the operational issues, financial performance, business prospects and other matters of the Group requiring their attention. Collectively, they are responsible to oversee the day-to-day management of the Group's business affairs.

1.4 Board Composition

- At the end of the year 2024, the Board, led by YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz, a Non-Executive Chairman, is made up of five (5) members (including the Chairman) comprising:

  (a) one (1) Executive Director;
  (b) one (1) Non-Independent Non-Executive Director; and
  (c) three (3) Independent Non-Executive Directors.

- As stated in the Board Charter (a copy of which is available on the Company's website at https://taliworks.com.my/corporate-governance/ under the caption "Board Charter"), the Board shall consist of qualified individuals with diverse experience, background and perspective. The composition and size of the Board are such that it facilitates the making of informed and critical decisions. At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members shall be Independent Directors. Where the Chairman of the Board is not an Independent Director, majority of Board members shall be Independent Directors. This provision in the Board Charter has been complied with by the Board.

- The Board, through the Nominating and Remuneration Committee, having reviewed the size and complexity of the Group's operations, is of the view that the number of members in the Board is appropriate and that no individual dominated the decision-making process and that the Board has operated effectively throughout the year and is confident that it will continue to do so.

- As disclosed in the Directors' Profile included in this Annual Report, members of the Board come from varied backgrounds (gender, age, qualification, working experience, ethnicity) and each brings with them a diverse range of business and financial acumen, competence, knowledge and experience relevant and necessary for the effective stewardship of the Group.

1.5 Board to comprise a Majority of Independent Directors

- The current Chairman is an Independent Non-Executive Chairman whilst more than half of the composition of Board members comprises Independent Directors.

1.6 Role of the Chairman

- The role of the Chairman is spelt out in Clause 4.1 of the Board Charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.7 Role of the Executive Director

- The Executive Director is a paid employee of the Company. He is assisted by the EXCO to develop and implement, in conjunction with the Board, the Group's strategic plans for existing businesses and future growth expansion plans. Other than that, the Executive Director is responsible for carrying out all the directions of the Board and ensuring that they are implemented and that adequate actions have been taken to follow up on significant outstanding matters on a timely basis.

- In connection therewith, the Executive Director keeps the Board informed of the overall operations and major issues faced by the Group, together with bringing forward to the Board, significant matters for its consideration and approval, where required.

- The Executive Director is accountable to the Board and he oversees all the business and corporate divisions within the Group. The performance of the Executive Director, including achievements of his KPIs, is reviewed annually by the Nominating and Remuneration Committee.

1.8 Role of the Non-Independent Non-Executive Directors

- Non-Independent Non-Executive Directors do not actively participate in the day-to-day management of the Group. However, they contribute to areas such as policy and strategy, performance monitoring, as well as improving governance and controls. They are expected to provide constructive input and where required, provide the requisite guidance to the Executive Director when faced with the challenges in running the day-to-day affairs of the Group.

1.9 Role of the Independent Non-Executive Directors

- Independent Non-Executive Directors play a significant role as a check and balance in the functioning of the Board. They have declared themselves to be independent from management and free of any business or other relationship which could interfere with the exercise of their independent judgment and objective participation and decision-making process of the Board.

- Independent Non-Executive Directors are required to voice their reservations or objections to any Board decisions which are deemed detrimental to the interest of the minority shareholders and their reservations or objections are then duly recorded by the Company Secretaries in the Board minutes.

1.10 Independent Directors

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

- The Nominating and Remuneration Committee undertakes an assessment of the Independent Directors annually. Other matters considered and deliberated by the Nominating and Remuneration Committee are disclosed in Section 2.2(b) of this Statement and the outcome in Practice 6.1 of the CG Report.

- Other than fully complying with the definition of an "independent director" set out in the criteria listed in Section 1.1 (a) to (g) of Practice Note 13 - Requirements for Directors and Signatory of Statutory Declaration for Accounts by Bursa Malaysia Securities Berhad, the Independent Directors have themselves self-assessed in the Independent Directors' Self-Assessment Checklist including the application of subjective assessments pursuant to the definition of independent directors in the Listing Requirements which is submitted to the Nominating and Remuneration Committee.

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

1.0 Board Responsibilities (Cont'd)

1.11 Tenure of Independent Directors

- The tenure of Independent Directors as at the end of the year is as follows:-

As of 31 December 2024	<4 years	4-8 years
YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz (appointed on 27 November 2019)		x
Datuk Roger Tan Kor Mee (appointed on 27 November 2019)		x
Datin Pauline Tam Poh Lin (appointed on 17 August 2022)	x	

- Under the MCCG 2021, the tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. Where the Board has determined that the said Independent Director shall not remain as an Independent Director, then he/she will be re-designated as a Non-Independent Director accordingly.

- Under clause 3.7.1 of the Board Charter, the tenure of an Independent Director shall not exceed a term limit of nine years.

- Nevertheless, if any Independent Director has served the Board for a term of nine years, the Nominating and Remuneration Committee will assess and decide whether he/she can remain as an Independent Director. In such a situation, the Board will make a recommendation and provide justification to the shareholders in a general meeting to enable them to assess the merits of the Board's decision to retain the services of the Independent Director beyond the nine-year tenure. Under these circumstances, the Board will seek annual shareholder's approval through a two-tier voting process. As at the forthcoming Annual General Meeting, none of the Independent Directors has exceeded a cumulative term of nine years.

- To encourage periodic refresh of Board composition, the Board shall not retain an Independent Director with a tenure of more than twelve years. This is provided under Clause 3.7.4 of the Board Charter to be in line with the Listing Requirements. To-date, no Independent Directors has served more than twelve years since the introduction of the MCCG 2021.

1.12 Appointments to the Board

- The Nominating and Remuneration Committee is responsible for reviewing the Board's composition and recommending to the Board the appointment of new directors by evaluating and assessing the suitability of candidates for board membership.

1.13 Re-Election of Directors

- Pursuant to Clause 77 of the Company's Constitution, one-third (1/3) of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office (who have been longest in office since their last election) shall retire by rotation. In addition, the Listing Requirements require that all Directors of listed companies shall retire once at least every three (3) years. The Directors retiring by rotation shall be eligible for re-election.

- The Nominating and Remuneration Committee is responsible for recommending to the Board those Directors who are eligible to stand for re-election. Pursuant to Clause 77 of the Company's Constitution, the Director who is due to retire by rotation at the forthcoming Annual General Meeting is Datin Pauline Tam Poh Lin. The Board, except for the retiring Director, has approved the recommendation of the Nominating and Remuneration Committee that the name of the retiring Director be put forth for shareholders' approval at the forthcoming Annual General Meeting for re-election.

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

1.0 Board Responsibilities (Cont'd)

1.13 Re-Election of Directors (Cont'd)

- Pursuant to Clause 82 of the Company's Constitution, any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office until the conclusion of the next Annual General Meeting and shall then be eligible for re-election. During the year, Datin Irene Lim Ai Ling was appointed as the Director on 15 August 2024 in place of Lim Chin Sean, who retired on 13 June 2024. As such, she is due to retire at the forthcoming Annual General Meeting. The Board, except for the retiring Director, has approved the recommendation of the Nominating and Remuneration Committee that the name of the retiring Director be put forth for shareholders' approval at the forthcoming Annual General Meeting for re-election.

1.14 Board Diversity, Age Profile and Education Background

	Gender		Skill-set			Skill-set		
	Male	Female	<51 years	51-60 years	>60 years	Finance related	Legal related	Others
Executive Director	1	-	-	1	-	1		-
Independent Non-Executive Directors	2	1	1	2	-	1	1	1
Non-Independent Non-Executive Directors	-	1	1	-	-	1	-	-
Total	5							

- The Board acknowledges the promotion of diversity and gender mix in its composition and gives due recognition to the financial, technical and business experience of the Directors and believes the presence of gender mix on the Board can widen the Board's perspectives in effectively discharging its duties and responsibilities as well as assist the Board in its decision-making process in line with the challenging and evolving business environment.

- In 2021, the Company was ranked 8 out of the top 10 Mid-Cap Companies (RM1-2 billion) of the inaugural Malaysia Board Diversity Study & Index, conducted by the Institute of Corporate Directors Malaysia in collaboration with Wills Towers Watson.

1.15 Board Diversity Policy

The following is a summary of the Board Diversity Policy adopted by the Board:-

- **Policy statement**

  The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and in maintaining a competitive advantage. A diverse Board should be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The composition of the members of the Board should always comprise mixed genders to bring about a more diverse perspective to issues faced by the Group. All Board appointments are based on meritocracy.

- **Gender diversity**

  As of the end of the year 2024, the composition of the Board comprises 40% women directors. The Nominating and Remuneration Committee refers to this Policy in selecting and assessing candidates and in presenting recommendations to the Board by considering gender diversity and the objectives of the Policy when considering new appointments.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.15 Board Diversity Policy (Cont'd)

The following is a summary of the Board Diversity Policy adopted by the Board:- (Cont'd)

- **Objectives**

  The Nominating and Remuneration Committee reviews annually the attributes of all the Board members to ensure that the objective of achieving diversity on the Board is achieved and proposes to the Board for adoption. The Board may seek to improve one or more aspects of its diversity progressively. The ultimate decision for appointment to the Board will be based on merit and contribution that the selected candidates bring to the Board.

- **Monitoring and reporting**

  The Nominating and Remuneration Committee reports in the annual report on the Board's composition under diversified perspectives and monitors the implementation of this Policy.

1.16 Senior Management Diversity Policy

- The Senior Management Diversity Policy states that Group recognises the importance of a gender balanced leadership team as an essential element in supporting the attainment of its strategic objectives and in maintaining a competitive advantage. A diverse senior management should be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The composition of the members of the senior management should comprise mixed genders to bring about a more diverse perspective to issues faced by the Group.

- As disclosed in the Sustainability Statement, the percentage of women in senior management role is 17%.

1.17 Time Commitment

- Under the Board Charter:-

  (a) the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed the number as may be prescribed by the Listing Requirements. In this respect, based on the disclosure in the Directors' Profile, none of the Board members holds more than five directorships in listed issuers in compliance with paragraph 15.06(1) of the Listing Requirements.

  (b) the Directors should devote sufficient time to the Company and observe the following policies and procedures:-

    i. to disclose to the Board, through the Nominating and Remuneration Committee, at the time of his/her appointment, and in a timely manner for any change, the number and nature of office held in public listed companies, non-listed companies or organisations and any other significant commitments;

    ii. to notify the Chairman and the Board before accepting any new directorships and provide an indication of the time that will be spent in the new appointment which should include the time required to prepare and attend board and board committee meetings, general meetings, continuous training programmes, site visitation and major company events. At the beginning of each calendar year, a schedule for Board and Board Committee meetings will be prepared and distributed to all Board members for their reference. Each Board member should allocate sufficient time for these meetings and attend all the scheduled meetings. If a Board member is unable to attend any of the scheduled meetings, he/she should notify the Board, through the Company Secretaries, as early as practicable;

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.17 Time Commitment (Cont'd)

- Under the Board Charter:- (Cont'd)

  (b) the Directors should devote sufficient time to the Company and observe the following policies and procedures:- (Cont'd)

  iii. to ensure that sufficient time and attention are allocated to the Company and that other commitments do not affect the effectiveness of their contribution or the time available in the discharge of their duties and responsibilities; and

  iv. to take an interest in the affairs of the Group, obtain a general understanding of its businesses and follow up on all the unusual transactions that come to his/her attention.

- The dates for the Board and Board Committee meetings for the year are circulated by the Company Secretaries well in advance at the end of the previous year to ensure that each of the Directors is able to attend the planned Board and/or Board Committee meetings including that of the Annual General Meeting.

- The Board and Board Committee members are expected to attend these meetings which have been scheduled well in advance. In the situation where any of them are not available, they will inform the Company Secretaries who accordingly will endeavour to re-schedule to another date where all other members would be able to attend.

- Directors who are unable to attend meetings in person may join the meeting virtually.

1.18 Access to Training

- The Board recognises the importance of training and development for the Directors to enhance their skills and knowledge to meet the challenges of the Board. The role to review the training and development needs of the Directors has been delegated to the Nominating and Remuneration Committee which then reports its findings to the Board.

- During the year, all the Directors had attended various training programmes, seminars and/or workshops externally or those provided in-house, reading relevant publications and adhering to continuing professional education required by the respective professional bodies to broaden their knowledge and to keep abreast with current issues. There are no restrictions as to the type of training programmes, courses, seminars, conferences, talks, briefings to be attended by the Directors.

- Directors are also kept informed of the latest statutory and regulatory developments by the Company Secretaries at every Board meeting.

- The Company has induction programmes to enable the Directors to familiarise themselves with the operations and other aspects of the group. Members of the Board have participated in relevant training and education programmes to keep themselves updated on developments that are current and relevant. As and when requested by the Directors, site visits will be arranged for the Directors to get themselves familiarised with the Group's operations.

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

1.0 Board Responsibilities (Cont'd)

1.18 Access to Training (Cont'd)

- The following were the training attended by the Directors during the year:-

Name of Director	Course Title
YAM Tunku Ali Redhauddin Ibni Tuanku Mukhriz	• Pesona Studies organised by Astro Malaysia Holdings Berhad and the trainer is Kantar Group • Business Transformation and Pivoting organised by Astro Malaysia Holdings Berhad and the trainer is Jeff Youseff from Oliver Wyman • Anti-Money Laundering & Counter Financing Terrorism organised by Bangkok Bank Berhad and the trainer is Mr. John Cheah Soon Chye, Asia School of Business • Cyber Security Awareness organised by Bangkok Bank Berhad and the trainer is Muhammad Shahir Bin Mohd Sharil, Excer Global Sdn. Bhd. • Sustainability and Climate Change organised by Bangkok Bank Berhad and the trainer is Dr. Gary Theseira, Asia School of Business • Emerging Risks organised by Bangkok Bank Berhad and the trainer is Mr. Anthony Lim, Asia School of Business • Forbes Global CEO Conference 2024 organised by Forbes • Young Global Leader Annual Summit 2025 organised by World Economic Forum
Kevin Chin Soong Jin	• Bursa Malaysia Mandatory Accreditation Programme ("MAP") organised by Institute of Corporate Director Malaysia ("ICDM")
Datuk Roger Tan Kor Mee	• Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") organised by Institute of Corporate Director Malaysia ("ICDM") • World Legal Symposium, Vancouver organised by International Air Transport Association ("IATA") • World Congress, Cape Town organised by International Solid Waste Association ("ISWA") • Annual Conference 2024, Petaling Jaya organised by Waste Management Association of Malaysia ("WMAM") • 2024 International Aviation Issues Seminar organised by Airport Council International (North America)
Datin Pauline Tam Poh Lin	• Tax digitalisation action: Landscape of e-invoicing in Malaysia organised by KPMG • Navigating the Updates on International Valuation Standards: Transforming Valuation Practices organised by Malaysia Institute of Accountants ("MIA") • Navigating climate transition risks in a circular economy organised by KPMG Asia Pacific Board Leadership Centre Webinar • Navigating Capital Gains Tax organised by KPMG • Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") organised by Institute of Corporate Director Malaysia ("ICDM") • Unlocking the Scope 3 Opportunity – Insights from Asia Pacific businesses organised by KPMG • KPMG Tax and Business Summit 2024 organised by KPMG • AOB Conversation with Audit Committee organised by Security Commission • MFRS Updates 2024 organised by KPMG
Datin Irene Lim Ai Ling	• Bursa Malaysia Mandatory Accreditation Programme ("MAP") organised by Institute of Corporate Director Malaysia ("ICDM")

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

1.0 Board Responsibilities (Cont'd)

1.19 Access to Information and Services from the Company Secretaries and External Parties

- The Directors have access to the advice and services of the Company Secretaries and where necessary, in furtherance of their duties, are entitled to seek independent professional advice at the Company's expense. The following are the procedures adopted by the Board in engaging the services of independent professional advisors:

    (a) where any member of the Board makes a request to the management to engage the services of independent professional advisors, the request is then communicated by the Company Secretaries to other Board members for concurrence;

    (b) where necessary, the Chairman will convene a special Board meeting to discuss the matter and where a concurrence from a majority of the Directors is obtained, the management will be directed to procure suitable independent professional advisors acceptable to the Board; and

    (c) the independent professional advisors will report their findings to the Board.

1.20 Conflict of Interest

- The Conflict of Interest Policy and Procedures ("COI P&P") were adopted on 22 November 2023. The COI P&P apply to all Directors and key senior management of the Group. It covers conflict of interest that may arise between their personal interests and the interests of the Group. The circumstances which constitute or may give rise to conflict of interest and the disclosure and management of conflict of interest are spelt out in the COI P&P.

2.0 Board Committees

- The Board has reserved for itself, decisions in respect of matters significant to the Group's business operations, which include the approval of key corporate plans, annual operating and capital expenditure budgets, major business transactions involving either the acquisitions or disposals of business, interests and/or assets, consideration of significant financial matters and announcements of financial results, changes to the composition of the Board and the Board Committees as well as control structure within the Group.

- For the Board to operate efficiently and give the right level of attention and consideration to relevant matters, the Board has delegated certain of its duties and responsibilities to the various Board Committees namely:-

    (a) Audit and Risk Management Committee; and

    (b) Nominating and Remuneration Committee. (The Board has on 15 August 2024 approved the merger of the Nominating Committee and Remuneration Committee into the Nominating and Remuneration Committee.)

- The primary objectives of establishing the Board Committees are amongst others, to allow Board members to make better use of their limited time and resources, allow more focus to be given to complex issues and recommending any course of action, and reinforcing the role of Independent Directors in monitoring the activities of the Group.

- Each of the Board Committees operates under its own Terms of Reference as approved by the Board. At every Board meeting, the Board Committee Chairman shall report to the Board, any significant developments and deliberations conducted at the Board Committee level.

- The delegation by the Board does not diminish nor abdicate its responsibilities and the Board remains responsible for all the actions of the Board Committees with regard to the execution of the delegated responsibilities. To ensure proper delegation, the Board formulates, establishes and approves the appropriate terms of reference, defining the responsibilities and authority of the said Board Committees.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2.0 Board Committees (Cont'd)

2.1 Composition of Board Committees

- The composition of the Board Committees at the end of the year 2024 was as follows:-

Name of Director	Audit and Risk Management Committee	Nominating and Remuneration Committee
Independent Non-Executive Directors		
Datuk Roger Tan Kor Mee	Member (Appointed on 27 February 2020)	Chairperson (Appointed on 15 August 2024)
Datin Pauline Tam Poh Lin	Chairperson (Appointed as member on 17 August 2022 and re-designated to Chairperson on 24 August 2022)	Member (Appointed on 15 August 2024)
Non-Independent Non-Executive Director		
Datin Irene Lim Ai Ling	Member (Appointed on 15 August 2024)	Member (Appointed on 15 August 2024)

2.2 Functions, Duties and Responsibilities of the Board Committees

(a) Audit and Risk Management Committee

- The Audit and Risk Management Committee comprises three (3) members, made up exclusively of Non-Executive Directors, the majority of whom are Independent Directors. Currently, there are three (3) members of the Audit and Risk Management Committee out of five (5) Board members.
- No alternate director is to be appointed as a member of the Audit and Risk Management Committee.
- The Audit and Risk Management Committee oversees and is mainly responsible for the financial reporting, internal controls, internal audit function, external audit reports, risk management, related party transactions and conflict of interest.
- The terms of reference of the Audit and Risk Management Committee is available on the Company's website at https://www.taliworks.com.my/corporate-governance/ under the caption "Terms of Reference of the Audit and Risk Management Committee". The Terms of Reference were last revised in November 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

2.0 Board Committees (Cont'd)

2.2 Functions, Duties and Responsibilities of the Board Committees (Cont'd)

(b) Nominating and Remuneration Committee

- The Nominating Committee met twice during the year in January 2024 and May 2024.
- The Remuneration Committee met twice during the year in January 2024 and February 2024.
- The Board has since 15 August 2024 approved the merger of the Nominating Committee and Remuneration Committee into the Nominating and Remuneration Committee.
- The Nominating and Remuneration Committee comprises three (3) members, made up exclusively of Non-Executive Directors, the majority of whom are Independent Directors. Currently, there are three (3) members of the Nominating and Remuneration Committee out of five (5) Board members.
- The terms of reference of the Nominating and Remuneration Committee are available on the Company's website at https://www.taliworks.com.my/corporate-governance/ under the caption "Terms of Reference of the Nominating and Remuneration Committee". The Terms of Reference were last revised in August 2024.
- The functions and activities undertaken by the Nominating and Remuneration Committee are elaborated in Practices 5.6 and 6.1 of the CG Report.
- The activities of the Nominating Committee in January 2024 and the activities of the Remuneration Committee in January 2024 and February 2024 were disclosed in the previous year's Corporate Governance Overview Statement.
- In May 2024, at the Nominating Committee meeting, the appointment of Datin Irene Lim Ai Ling was deliberated and recommended to the Board for approval, after having taken into consideration her fitness and propriety in accordance with the Fit and Proper Policy.
- In January 2025, the Nominating and Remuneration Committee convened a meeting and the following matters were considered and deliberated (except where the committee member is an interested party):-

  a) to review the Assessment Report on Individual Directors and make appropriate recommendation to the Board;

  b) to review the Independent Directors' Self-Assessment Report and make appropriate recommendation to the Board;

  c) to review the effectiveness and composition of the Board and Board Committees and make appropriate recommendation to the Board;

  d) to review the term of office and performance of the Audit and Risk Management Committee and each member and make appropriate recommendation to the Board;

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

2.0 Board Committees (Cont'd)

2.2 Functions, Duties and Responsibilities of the Board Committees (Cont'd)

(b) Nominating and Remuneration Committee (Cont'd)

- In January 2025, the Nominating and Remuneration Committee convened a meeting and the following matters were considered and deliberated (except where the committee member is an interested party):- (Cont'd)

  e) to discuss training requirements for Directors;

  f) to review the assessment of the Key Officers and make appropriate recommendation to the Board;

  g) to note the retirement of a Director at the forthcoming Thirty-fourth Annual General Meeting pursuant to Clause 77 of the Constitution of the Company, and recommend the re-election of the relevant Director who is willing to seek for re-election, after having assessed the fitness and propriety in accordance with the Fit and Proper Policy;

  h) to note the retirement of a Director at the forthcoming Thirty-Fourth Annual General Meeting pursuant to Clause 82 of the Constitution of the Company, and recommend her re-election after having assessed her fitness and propriety in accordance with the Fit and Proper Policy;

  i) to review and if thought fit, to recommend the revised remuneration packages for Company's Executive Director for the year ending 31 December 2025 to the Board for approval;

  j) to review and if thought fit, to recommend the Directors' Fees for the period from 13 June 2025 until the next Annual General Meeting of the Company to be held in 2026, to the Board for recommendation of the same to the shareholders for approval;

  k) to review and if thought fit, to recommend the Directors' benefits, which includes meeting allowance, for the period from 13 June 2025 until the next Annual General Meeting of the Company to be held in 2026, to the Board for approval;

  l) to review and if thought fit, to recommend the remuneration packages for the Senior Management for the year ending 31 December 2025, to the Board for approval; and

  m) to consider and if thought fit, to recommend the appointment of a stand-in Board Chairman and Audit and Risk Management Committee Chairman to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

2.0 Board Committees (Cont'd)

2.3 Record of Attendance at Board and Board Committee Meetings

- In accordance with paragraph 15.05(3)(c) of the Listing Requirements, the office of a director will become vacant if the director is absent for more than 50% of the total Board meetings held during a year. In this respect, the Board is satisfied with the level of time commitment given by all the Board members towards fulfilling their roles and responsibilities. All Directors have given their full commitment to the Board meetings by attending most of the Board meetings held during the year. Their meeting attendance at Board and Board Committee meetings in 2024 as evidenced by the attendance record is set out in the table below.

Name of Director	Board Meeting	Audit and Risk Management Committee Meeting	Nominating Committee Meeting	Remuneration Committee Meeting
EXECUTIVE DIRECTOR				
Kevin Chin Soong Jin (Appointed on 1 March 2024)	4/4	N/A	N/A	N/A
Dato' Lim Yew Boon (Retired on 29 February 2024)	1/1	N/A	N/A	N/A
INDEPENDENT NON-EXECUTIVE DIRECTORS				
YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz	5/5	N/A	N/A	N/A
Datuk Roger Tan Kor Mee	5/5	5/5	2/2	N/A
Datin Pauline Tam Poh Lin	5/5	5/5	N/A	2/2
Raja Datuk Zaharaton Binti Raja Dato' Zainal Abidin (Retired on 13 June 2024)	3/3	N/A	2/2	2/2
Ahmad Jauhari Bin Yahya (Retired on 13 June 2024)	3/3	N/A	2/2	N/A
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR				
Datin Irene Lim Ai Ling (Appointed on 15 August 2024)	2/2	2/2	N/A	N/A
Lim Chin Sean (Retired on 13 June 2024)	3/3	3/3	N/A	2/2
Dates of meetings held during the year	27 February 25 March 14 May 26 August 25 November	26 February 25 March 13 May 23 August 22 November	15 January 14 May	22 January 6 February

PRINCIPLE A **BOARD LEADERSHIP AND EFFECTIVENESS**

3.0 Remuneration

3.1 Nominating and Remuneration Committee

- Before the merger of the Nominating and Remuneration Committee, the Remuneration Committee was headed by the Senior Independent Non-Executive Director, Raja Datuk Zaharaton Binti Raja Dato' Zainal Abidin.

- Currently, the Nominating and Remuneration Committee is headed by the Senior Independent Non-Executive Director, Datuk Roger Tan Kor Mee.

3.2 Meeting Proceedings

- Directors do not participate in decisions regarding their own remuneration package. Directors' fees and meeting allowances are to be approved by shareholders at annual general meetings before any payment of fees are made to the Directors. Directors who are shareholders will abstain from voting at general meetings to approve their fees.

3.3 Directors' Remuneration

- The Group recognises that to attract and retain Directors is to have a fair and comprehensive remuneration package that commensurate with their experience, skills and responsibilities as well as benchmarking against the industry's standards. In view of this, the remuneration package for the Executive Director and Directors' fees for Non-Executive Directors were determined by benchmarking against remuneration packages of relevant positions with similar industry and business size.

- The remuneration of the Executive Director is based on the terms of his employment contract and his remuneration package is structured to link rewards to corporate and individual performance. The performance and remuneration package of the Executive Director is subject to evaluation by the Nominating and Remuneration Committee. Other than his employment income, he is also remunerated in the form of Directors' fees as approved by shareholders at the Annual General Meeting and a meeting allowance for his attendance at the Board meetings. The Board, through the Nominating and Remuneration Committee, establishes the KPI for the Executive Director.

- Non-Executive Directors are remunerated in the form of Directors' fees as approved by shareholders at annual general meetings and a meeting allowance for their attendance at the Board or Board Committee meetings. The remuneration for the Chairman of the Board and the Audit and Risk Management Committee is comparatively higher than the other Non-Executive Directors in view of their greater responsibility and accountability. In the same light, the Chairman of the other Board Committees is accorded higher meeting allowance.

- The members of the Board are covered under a Directors' and Officers' Liability Insurance Policy of up to an amount of RM10 million against any liability incurred by them in discharging their duties while holding office as directors of the Company and this is recognised as a non-financial benefit to Directors.

- Below are the Directors' fees (which are not performance related) and meeting allowances with effect from 13 June 2025 until the next Annual General Meeting to be held in 2026, subject to the approval of shareholders at the forthcoming Annual General Meeting. The fees remain unchanged since January 2016.

	Directors' Fees RM per Annum
Chairman	200,000
Chairman of the Audit and Risk Management Committee	160,000
Executive Director	120,000
Independent Non-Executive Directors	120,000
Non-Independent Non-Executive Directors	120,000

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

3.0 Remuneration (Cont'd)

3.3 Directors' Remuneration (Cont'd)

- Below are the Directors' fees (which are not performance related) and meeting allowances with effect from 13 June 2025 until the next Annual General Meeting to be held in 2026, subject to the approval of shareholders at the forthcoming Annual General Meeting. The fees remain unchanged since January 2016. (Cont'd)

	Board	Audit and Risk Management Committee	Nominating and Remuneration Committee
	Meeting allowances (RM/meeting)		
Chairman	2,000	2,000	2,000
Members	1,500	1,500	1,500

- The details of Directors' remuneration for the financial year including remuneration for services rendered to the Company and its subsidiaries are disclosed in Practice 8.1 of the CG Report.

3.4 Remuneration of Key Senior Management

- Under the Listing Requirements, key senior management refers to a person, who in the opinion of the listed issuer, is the key senior management of the group, and must include a person who is primarily responsible for the business operations of the listed issuer's core business and principal subsidiaries.

- As at the end of the year, there were six (6) key senior management personnel identified by the Group as primarily being responsible for managing the business operations and corporate divisions of the Group. The profile of the current key senior management is disclosed on the Company's website at https://www.taliworks.com.my/corporate-information/ under the caption "Key Senior Management".

- The remuneration policy for the key senior management is disclosed on the Company's website at https://www.taliworks.com.my/corporate-governance/ under the caption "Remuneration Policy for Senior Management Staff".

- The yearly remuneration paid to the top five (5) key senior management including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000 is as follows:-

Range of Remuneration	Total (pax)
RM400,001 to RM450,000	2
RM450,001 to RM500,000	-
RM500,001 to RM550,000	1
RM550,001 to RM600,000	2

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

4.0 Audit and Risk Management Committee

- The Audit and Risk Management Committee comprises three (3) members, one (1) of whom is a member of the Malaysian Institute of Accountants.
- The Audit and Risk Management Committee is headed by Datin Pauline Tam Poh Lin who is an Independent Non-Executive Director. The duties, functions and responsibilities of the Audit and Risk Management Committee are spelt out in its Terms of Reference.
- The performance of the Audit and Risk Management Committee and each of its members is assessed annually by the Nominating and Remuneration Committee. The Nominating and Remuneration Committee also assesses on an annual basis the effectiveness of the Audit and Risk Management Committee in carrying out its responsibilities.

5.0 Risk Management and Internal Control Framework

- The Board acknowledges its responsibility in maintaining a robust risk management framework and a sound system of internal controls.
- The Statement on Risk Management and Internal Controls included in this Annual Report provides a detailed description of the state of risk management and internal controls as implemented by the Group.

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

6.0 Communication with Stakeholders

6.1 Corporate Disclosure Policies and Procedures

- Along with good corporate governance practices, the Group is committed to provide to investors and the public with comprehensive, accurate and material information on a timely basis. In line with this commitment and to enhance transparency and accountability, the Group has formulated the Corporate Disclosure Policies and Procedures that set out the general principles and standards of disclosure of information in relation to the business, operations and financial performance of the Group.

6.2 Maintenance of Company Website

- The Group leverages on the use of information technology for effective dissemination of information by maintaining a website at https://taliworks.com.my/ which shareholders or other stakeholders can access for information. All information released to the stock exchange is posted on the Investor Relations section of the website.
- Alternatively, the Group's latest announcements can be obtained via the stock exchange's website maintained at https://www.bursamalaysia.com/market_information/announcements/company_announcement.

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

6.0 Communication with Stakeholders (Cont'd)

6.2 Maintenance of Company Website (Cont'd)

- Included in the Company's website are matters relating to:

  (a) corporate information and profile of the Group business activities;

  (b) investor relations including financial information (financial statements, factsheet ratios, financial highlights and dividend policy), stock information, reports (annual reports, quarterly reports and analysts reports), announcements to Bursa Malaysia Securities Berhad, information request (email alert subscription and investor relation contact), general meeting (minutes of shareholders' meeting);

  (c) corporate governance including the Board Charter, Code of Business Conduct and Ethics for Directors, Terms of Reference of Board Committees, Corporate Governance Report, Remuneration Policy, Constitution of the Company, Whistleblowing Policy, and Anti-Bribery and Anti-Corruption Policy.

6.3 Integrity in Financial Reporting

- The Board aims to present a balanced and meaningful assessment of the Group's financial performance and prospects to shareholders, investors and regulators. This assessment is primarily provided in the Annual Report through the Chairman's Statement, the Management Discussion and Analysis and the accompanying audited financial statements. The Group also announces its interim financial results on a quarterly basis in compliance with the Listing Requirements. The interim financial results are reviewed by the Audit and Risk Management Committee and approved by the Board prior to public release.

- For the year under review, the Group had announced its quarterly results and published its audited financial statements within the timeframe as required under the Listing Requirements.

- In releasing the unaudited full year's results, the Audit and Risk Management Committee met with External Auditors who summarise all the principal matters that have arisen from the audit that may have a material impact on the Group results. The Audit and Risk Management Committee also engages the External Auditors on financial disclosures and the accounting judgments made in preparing the financial statements.

- The Board is responsible for the preparation of the financial statements to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 of Malaysia. The Board is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

- The Board has considered in preparing the latest set of financial statements, that the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

7.0 Conduct of General Meetings

7.1 Annual General Meeting ("AGM")

- The AGM which is held once a year is the principal forum for dialogue with shareholders. In line with good corporate governance practice, the Notice of AGM is issued at least twenty-eight (28) days prior to the date of the meeting. Where special business items appear in the Notice of AGM, an explanatory note will be included as a footnote to enlighten shareholders on the significance and impact when shareholders deliberate on a resolution.

- At the AGM, shareholders are encouraged to participate, speak, vote and to demand a poll vote. Shareholders are given the opportunity to seek clarification on any matters pertaining to the business activities and financial performance of the Group. Shareholders are also encouraged to make their views known to the Board and to raise directly any matters of concern to the Chairman or to the Chairman of the Board Committees. Management personnel are also present to respond to any enquiries directed to them by the shareholders.

- The External Auditors are invited to attend the AGM and avail themselves to answer questions from shareholders on the conduct of the statutory audit and the preparation and content of the audited financial statements.

- Where a transaction is required to be approved by shareholders, interested Directors will abstain from deliberation and voting in respect of their shareholdings in the Company and they will further undertake to ensure that persons connected to them will similarly abstain from voting.

- Minutes of AGM are posted at the Company's website at https://taliworks.com.my/general-meeting/ under the caption "Minutes of Shareholders' Meeting" within one (1) month from the conclusion of AGMs.

7.2 Poll Voting

- The polling process will be conducted via electronic polling by an external party as the Poll Administrator and an Independent Scrutineer will also be engaged to oversee the conduct of the poll and verify the results of the poll.

- Before shareholders proceed to conduct the poll voting, the Poll Administrator will brief the shareholders on the poll procedures.

AUTHORISATION FOR ISSUANCE

The Board has reviewed and approved this Corporate Governance Overview Statement and the CG Report for inclusion in this Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

1.0 COMPOSITION

- The Audit and Risk Management Committee ("ARMC") comprises three (3) members, the majority of whom are Independent Non-Executive Directors, as follows:

  Chairperson

  The Chairperson of the ARMC, Datin Pauline Tam Poh Lin, an Independent Non-Executive Director, is a member of the Malaysian Institute of Accountants ("MIA"), Malaysian Institute of Certified Public Accountants ("MICPA") and the Chartered Tax Institute of Malaysia ("CTIM"). She was appointed as a member of the ARMC on 17 August 2022 and subsequently as the Chairperson on 24 August 2022.

  Members

  - Datuk Roger Tan Kor Mee, a Senior Independent Non-Executive Director, appointed on 27 February 2020; and

  - Datin Irene Lim Ai Ling, a Non-Independent Non-Executive Director, appointed on 15 August 2024.

  Lim Chin Sean, who had served the Board as a Non-Independent Non-Executive Director since his appointment on 23 May 2011, ceased to be a Non-Independent Non-Executive Director and an ARMC member on 13 June 2024, following the conclusion of the Company's 33rd Annual General Meeting.

- The composition of the ARMC complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as follows:

Requirements	Commentary
Paragraph 15.09(1)(a)	The ARMC comprises no fewer than three (3) members.
Paragraph 15.09(1)(b)	All the members of the ARMC are non-executive directors, with a majority of them being independent directors.
Paragraph 15.09(1)(c)(i)	The Chairperson of the ARMC is a member of the MIA.
Paragraph 15.09(2)	No alternate director has been appointed as a member of the ARMC.
Paragraph 15.10	The Chairperson of the ARMC is an independent director.

2.0 TERMS OF REFERENCE ("TOR")

- A copy of the TOR of the ARMC is published in the Company's website in compliance with Paragraph 15.11 at taliworks.com.my/corporate-governance/.

- The TOR were last revised on 25 November 2024. In accordance with the TOR of the ARMC, the Board will review and reassess the adequacy of these TOR at least once in every three years or as and when required.

3.0 MEETINGS

- The ARMC convened five (5) meetings during the year. These meetings were scheduled to align with the key dates within the financial reporting and audit cycle and prior to Board meetings being held to approve the release of the quarterly unaudited financial results and the year-end audited financial statements of the Group and the Company.

- Details of the ARMC members' attendance for the financial year ended 31 December 2024 are as follows:

		No. of meetings attended
1	**Datin Pauline Tam Poh Lin** *Independent Non-Executive Director*	5/5
2	**Lim Chin Sean** *Non-Independent Non-Executive Director* *(Retired on 13 June 2024)*	3/3
3	**Datuk Roger Tan Kor Mee** *Senior Independent Non-Executive Director*	5/5
4	**Datin Irene Lim Ai Ling** *Non-Independent Non-Executive Director* *(Appointed on 15 August 2024)*	2/2

- The meetings were held on the following dates and the main agenda are summarised in the table below. A more detailed elaboration on the activities of the ARMC are summarised in Section 5.0 below.

Date	Main Agenda
26 February 2024	• to review, approve and recommend for the approval of the Board the following: (i) the unaudited quarterly financial results for the fourth quarter ended 31 December 2023; (ii) the ARMC Report and Statement of Risk Management and Internal Control for inclusion in the 2023 Annual Report; and (iii) the revisions to the Policy and Procedures on Related Party Transactions ("RPT"). • to discuss the Internal Audit reports. • to review and approve the Internal Audit Budget and Human Resource Plan for the financial year 2024. • to review the adequacy of the scope, competency and resources of the Internal Audit function, in accordance with Para 15.12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. • to note the External Auditors' progress report on the unaudited results for the financial year ended 31 December 2023. • to note the minutes of the Risk Management Working Group ("RMWG") meeting held on 2 November 2023, quarterly report on the recurrent related party transactions ("RRPTs") of a revenue or trading nature and quarterly report on the provision of non-audit services. • to review the conflict of interest, if any to measure, resolve, eliminate or mitigate such conflicts and report to the Board. During that meeting, the ARMC held a private session with the External Auditors, and the Head of Group Internal Audit ("GIA") affirmed the independence of the GIA in carrying out their duties and assignments for year 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

3.0 MEETINGS (CONT'D)

- The meetings were held on the following dates and the main agenda are summarised in the table below. A more detailed elaboration on the activities of the ARMC are summarised in Section 5.0 below. (Cont'd)

Date	Main Agenda
25 March 2024	• to review, approve and recommend for the approval of the Board the following: (i) the audited financial statements for the financial year ended 31 December 2023; and (ii) the renewal of contractual agreements which are recurrent transactions of a revenue or trading nature as outlined in section 2.5 of the RRPT circular. • to note the Final Report from the External Auditors on the final audit for the financial year ended 31 December 2023. • to review the performance of the External Auditors, and if thought fit, to recommend to the Board to seek shareholders' approval on the re-appointment of the External Auditors at the forthcoming Annual General Meeting. • to review the "Review Procedures and Guidelines in relation to RRPT" as outlined in section 2.6 of the RRPT circular and to approve the "Statement by the Company's Audit and Risk Management Committee" as outlined in section 2.7 of the RRPT circular. • to review the conflict of interest, if any to measure, resolve, eliminate or mitigate such conflicts and report to the Board. During that meeting, the ARMC held a private session with the Head of GIA.
13 May 2024	• to review, approve and recommend for the approval of the Board the unaudited quarterly financial results for the first quarter ended 31 March 2024. • to discuss the Internal Audit reports. • to review the report from the RMWG on the risk assessment of the Group as of 29 February 2024. • to note the updated risk registers, quarterly report on the RRPTs of a revenue or trading nature and quarterly report on the provision of non-audit services. • to review the conflict of interest, if any to measure, resolve, eliminate or mitigate such conflicts and report to the Board.
23 August 2024	• to review, approve and recommend for the approval of the Board the unaudited quarterly financial results for the second quarter ended 30 June 2024. • to discuss the Internal Audit reports. • to note the quarterly report on the RRPTs of a revenue or trading nature and quarterly report on the provision of non-audit services. • to review the conflict of interest, if any to measure, resolve, eliminate or mitigate such conflicts and report to the Board.

3.0 MEETINGS (CONT'D)

- The meetings were held on the following dates and the main agenda are summarised in the table below. A more detailed elaboration on the activities of the ARMC are summarised in Section 5.0 below. (Cont'd)

Date	Main Agenda
22 November 2024	• to review, approve and recommend for the approval of the Board the following: (i) the unaudited quarterly financial results for the third quarter ended 30 September 2024; (ii) the Letter of engagement for the Statutory Audit and Statement of Risk Management and Internal Control for 2024; (iii) the proposed external audit fees of the Group for 2024; and (iv) the revisions to the TOR of the ARMC and Group Tax Corporate Governance Framework. • to approve the External Auditors' Professional Services Planning Memorandum 2024. • to discuss the Internal Audit reports as well as to review and approve the Internal Audit Plan 2025. • to review the report from the RMWG on its risk assessment of the Group as of 31 August 2024. • to note the following: (i) the Transparency Report for the year ended 31 May 2024 from External Auditors; (ii) the updated risk registers; (iii) the quarterly report on the RRPTs of a revenue or trading nature; and (iv) the quarterly report on the provision of non-audit services as well as the provision of Planned Non-Audit Services for 2025. • to review the conflict of interest, if any to measure, resolve, eliminate or mitigate such conflicts and report to the Board. During that meeting, the ARMC held two (2) separate private sessions with the Head of GIA and the External Auditors. In addition, the Head of GIA affirmed the independence of the GIA in carrying out their duties and assignments for year 2024.

- The ARMC held its meetings without the presence of other Directors and Management, except where the ARMC requested their attendance. The General Manager of Group Finance, representing the Management, was invited to all the ARMC meetings to present the relevant papers and provide clarification on issues raised by the ARMC. The Head of the GIA attended the ARMC meetings to present the Internal Audit reports, the Internal Audit Budget and Human Resource Plan, and Internal Audit Plan for discussion with the ARMC.

- To ensure that the audited financial statements complied with the Malaysian Financial Reporting Standards ("MFRS"), External Auditors are engaged to audit the Company's and Group's financial statements before they are presented to the ARMC for review and recommendation to the Board for its approval.

- Subsequent to the meetings of the ARMC, the Chairperson of the ARMC briefed the Board on matters discussed and deliberated at the ARMC meetings. The Chairperson of the ARMC also conveyed to the Board, matters of significant concern as and when raised by the Management, External Auditors and the GIA.

- Minutes of the ARMC meeting were recorded by the Company Secretaries and circulated to ARMC for comments. The minutes were tabled for confirmation at the subsequent ARMC meeting before presenting to the Board for notation.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

4.0 TRAININGS

The trainings attended by members of the ARMC during the year are disclosed in the Corporate Governance Overview Statement included in this Annual Report.

5.0 SUMMARY OF ACTIVITIES

During the financial year, the ARMC carried out the following activities:

5.1 Financial Reporting

- Reviewed and approved the Group's quarterly unaudited financial results as well as the Group's and Company's audited financial statements for the financial year ended 31 December 2023. Following the conclusion of the ARMC meeting, the ARMC recommended them for approval at the Board meeting.

- In the review of the quarterly unaudited financial results, the ARMC discussed with the Management, amongst others, the following:

  (a) changes in or implementation of major accounting policies;

  (b) significant matters highlighted including financial reporting issues, significant judgements made by the Management, significant and unusual events or transactions, and how these matters are addressed; and

  (c) compliance with accounting standards and other regulatory requirements.

  In this respect, the ARMC satisfied itself that the quarterly unaudited financial statements had been prepared in compliance with MFRS134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board, Paragraph 9.22 of the Main Market Listing Requirements and guidance communication notes issued by Bursa Malaysia Securities Berhad before recommending the same to the Board for its approval.

- In the review of the audited financial statements, the ARMC discussed with the Management and the External Auditors in attendance, amongst others, the following:

  (a) the impact of the new accounting standards on the financial results and statements for the financial period being reported;

  (b) the underlying accounting policies applied, as well as the use of critical accounting estimates and the exercise of judgement in applying the Group's accounting policies, that have significant impact on the amounts recognised in the financial statements;

  (c) significant and unusual events; and

  (d) confirming with the Management and the External Auditors that the audited financial statements had been prepared in compliance with the MFRS and the requirements of the Companies Act, 2016 in Malaysia.

  The ARMC, having satisfied that the audited financial statements had been prepared in compliance with accounting standards and other regulatory requirements and that all issues have been adequately addressed with the Management and the External Auditors, recommended the same to the Board for its approval.

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.2 External Audit

5.2.1 Overseeing the work of the External Auditors

- On 26 February 2024, the ARMC reviewed and discussed the progress report by the External Auditors on the unaudited financial results for the financial year ended 31 December 2023. The ARMC noted that the External Auditors had substantially completed their audit in accordance with the Professional Services Planning Memorandum 2023 which was presented earlier to the ARMC on 21 November 2023.

- On 25 March 2024, the ARMC deliberated on the audited financial statements for the financial year ended 31 December 2023 prepared by Management with the External Auditors in attendance. The audited financial statements were thereafter recommended to the Board for approval.

- On 22 November 2024, the ARMC reviewed and approved the External Auditors' Professional Services Planning Memorandum 2024 which includes, amongst others,

  (a) materiality;

  (b) the overall work plan, including significant risks and areas of audit focus, as well as their audit scope of work;

  (c) level of involvement from other specialists;

  (d) climate-related risk on financial statement results and disclosures;

  (e) reporting requirements under the National Sustainability Reporting Framework ("NSRF") 2024, which was published by the Securities Commission of Malaysia on 24 September 2024; and

  (f) engagement quality control as well as independent policies and procedures.

  Following the review of the External Auditors' Professional Services Planning Memorandum 2024, the ARMC approved and recommended for the Board's approval the detailed terms of responsibilities and the scope of work as set out in the External Auditors' engagement letter and proposed audit fees of the Group.

- The ARMC noted the provision of any non-audit services by the External Auditors permissible to undertake, as provided under the By-Laws of the MIA and the Independence policies and procedures set out in the External Auditors' Professional Services Planning Memorandum 2024. The provision has been strengthened to require the External Auditors assess the threats associated with the non-assurance services and thereafter seek concurrence from ARMC prior to proposal of the non-assurance services. This was accomplished by ARMC approving a Non-Assurance Services Pre-Approval Policies and Procedures, which sufficiently fulfils the new requirements.

- The ARMC had two (2) private sessions with the External Auditors on 26 February 2024 and 22 November 2024. It was noted that there were no major concerns, and that the External Auditors had sufficient resources and unlimited access to information and received full co-operation from the Management throughout the course of the audit.

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.2 External Audit (Cont'd)

5.2.2 Assessing the Independence and Suitability of the External Auditors

- Prior to the ARMC recommending to the Board for approval to re-appoint the External Auditors by shareholders at the forthcoming Annual General Meeting, the ARMC had been given access to an online evaluation form to be completed individually to assess and rate the performance of the External Auditors. The online questionnaire consists of thirty-nine (39) questions covering the following topics:

  (a) Section A: Calibre of external audit firm

  (b) Section B: Quality processes/performance

  (c) Section C: Audit team

  (d) Section D: Independence and objectivity

  (e) Section E: Audit scope and planning

  (f) Section F: Audit fees

  (g) Section G: Audit communications

  The online evaluation form provides ratings from one (1) to five (5), or 'yes' and 'no', with indicators to be responded in relation to the nature of the questions. The results of the questionnaire were presented to the ARMC for deliberation and review.

- Based on the results of the questionnaire, the ARMC was satisfied with the performance as well as the suitability, objectivity and independence of the External Auditors and these were duly recorded by the Company Secretaries. The overall average rating for the assessment was above 4 based on a full scale of 5. A completed copy of the questionnaire was filed with the Company Secretaries for record purposes.

- Other than the above, the ARMC also noted the following matters disclosed in the Independence Policies and Procedures set out in the External Auditors' Professional Services Planning Memorandum 2024:

  (a) that the External Auditors complied with their independence requirements set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the MIA ("By-Laws"). In this respect, the External Auditors have provided a written assurance to the ARMC on their independence.

  (b) that the External Auditors have developed important safeguards and procedures to address threats to their independence and objectivity including:

    (i) assessment is made to the level of threat to objectivity and potential safeguards to combat these threats prior to acceptance of any non-audit engagement;

    (ii) partners and managers are required to declare their financial interests in the partnership's Independence Monitoring System;

    (iii) the audit engagement partner will be consulted and will approve all non-audit services to be provided to audit clients after assessment of threats associated with the non-audit services have been made; and

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.2 External Audit (Cont'd)

5.2.2 Assessing the Independence and Suitability of the External Auditors (Cont'd)

- Other than the above, the ARMC also noted the following matters disclosed in the Independence Policies and Procedures set out in the External Auditors' Professional Services Planning Memorandum 2024: (Cont'd)

  (b) that the External Auditors have developed important safeguards and procedures to address threats to their independence and objectivity including: (Cont'd)

  (iv) periodic rotation takes place of the audit engagement partner, the independent review partner and key audit partners in accordance with their policies and professional and regulatory requirements.

  (c) that the External Auditors have issued a detailed ethical standards and independence policies to all partners and employees who are required to confirm their compliance annually. They are also required to comply with the policies of other relevant professional and regulatory bodies. Amongst other things, these policies:

  (i) generally state that no partner or employee (or their financial dependents) are allowed to hold a financial interest in any of their audit clients (unless otherwise expressly permitted);

  (ii) state that no partner or employee (or their financial dependents) should enter into business relationships with an audit client or affiliates;

  (iii) prohibit any professional employee from accepting gifts from clients unless the value is clearly insignificant, trivial and inconsequential; and

  (iv) provide safeguards against potential conflicts of interest.

  (d) the External Auditors' independence policy requires them to communicate in writing to the ARMC all breaches of independence set out in the By-Laws on a timely basis and all insignificant breaches on an annual basis as well as to obtain concurrence from the ARMC on actions taken to satisfactorily address any consequence of any identified breach.

- Based on the Audit Transparency Report for the year ended 31 May 2024 presented by the External Auditors, the ARMC noted that the audit firm as a whole is able to uphold high-quality audits based on assessment using the required Audit Quality Indicators mandated by the Audit Oversight Board including audit partner workload, audit independence, capacity and competence of the audit practice, audit engagement supervision, audit firm's investment to uphold audit quality as well as internal and external monitoring (inspection) reviews.

- Upon due consideration on the External Auditors' past performance, client service team, engagement quality control, independence policies and procedures as set out in the External Auditors' Professional Services Planning Memorandum 2024 as well as a written assurance by the External Auditors on their independence, the ARMC determined that the External Auditors were suitable to be engaged to undertake the statutory audit and are satisfied that their independence had not been compromised.

  The current Audit Engagement Partner has been auditing the financial statements of the Group since 31 December 2020. According to the External Auditors' Professional Services Planning Memorandum 2024, the audit engagement partner, the independent review partner and key audit partners are periodically rotated in accordance with the firm's policies and professional and regulatory requirements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.3 Internal Audit

- On 21 November 2023 and 22 November 2024, the ARMC reviewed and approved the annual risk-based Internal Audit Plan 2024 and 2025 respectively that covers all core operations including water treatment, highway management, construction, renewable energy and waste management.

- On 26 February 2024, the ARMC reviewed and approved the Internal Audit Budget and Human Resource Report 2024 to ensure that GIA was competently staffed and has adequate resources to carry out the internal audit function.

  The review of the Internal Audit Plan, Budget and Human Resource Report by the ARMC is to comply with paragraph 15.12 of the Main Market Listing Requirements of Bursa Malaysia.

- The ARMC reviewed and discussed with the Head of GIA all the internal audit reports presented. These reports contain:-

  (a) status and progress of internal audit assignments including summaries of findings and the audit reports issued;

  (b) effects/potential risks and audit recommendations provided by the GIA;

  (c) Management's responses to audit recommendations and their committed action plans; and

  (d) status of follow-up audits on Management's committed action plans.

  The ARMC then discussed and considered those findings including the Management's responses thereon, before proposing that those noted weaknesses be rectified and recommendations for improvements be implemented where appropriate, in a timely manner.

- The risk-based Internal Audit Plans are reviewed on a yearly basis and as required contingent on the changes in internal and external risks faced by the various core operations and industries. During the year, a total of eighteen (18) full internal audits and sixteen (16) follow-up internal audits were conducted, with a focus on the twenty-three (23) key areas listed below:-

  (a) Anti-Bribery Management System

  (b) Billing & Collection

  (c) Chemical Inventory Management

  (d) Conflict of Interest

  (e) Contract Management

  (f) Financial

  (g) Fixed Asset Management

  (h) Human Resource

  (i) Information Technology

  (j) Maintenance

  (k) Operation

  (l) Procurement

  (m) Production

  (n) Project Management

  (o) Quality Assurance/Quality Control

  (p) Related Party Transaction

  (q) Risk Management

  (r) Safety and Health Management

  (s) Security Management

  (t) Store Management

  (u) Tax Corporate Governance Framework ("TCGF")

  (v) Tender

  (w) Waste Management (Sludge & Scheduled Wastes)

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.3 Internal Audit (Cont'd)

- The ARMC had two (2) private sessions with the Head of GIA on 25 March 2024 and 22 November 2024. It was noted that there were no major concerns and that the GIA had received full cooperation from the Management and staff throughout the course of their work.

- On 26 February 2024 and 22 November 2024, the ARMC noted the annual Declaration of Independence from GIA for the year 2023 and 2024 respectively.

5.4 Risk Management

- The ARMC reviewed the report of the RMWG which was presented by the General Manager of Group Finance as a member of the RMWG. RMWG meetings were held on 2 May 2024 and 13 November 2024 to discuss the Risk Management Reports of the following divisions:

  (a) Engineering and Construction Division;

  (b) Water and Engineering Division;

  (c) Toll Highway Division;

  (d) Waste Management Division;

  (e) Renewable Energy Division; and

  (f) Group Strategic Risks

- The Risk Management Reports comprise the Risk Profile which indicate the impact, likelihood of occurrence and residual risk rating of every risk identified and supported by individual Risk Registers that detail the description, causes, consequences, controls, its effectiveness and action plans for each and every identified risk.

- The ARMC presented a summary of the RMWG reports at the subsequent Board meetings for notation.

5.5 Recurrent Related Party Transactions ("RRPTs"), Related Party Transactions ("RPTs") and Conflict of Interest Situations

- In accordance with the Main Market Listing Requirements and subject to the approved Limits of Authority, the ARMC reviewed all RPTs tabled and conflict of interest situation that may arise within the Group to ensure that they are:

  (a) at arm's length;

  (b) on normal commercial terms;

  (c) on terms not more favourable to the Related Party than those generally available to the public;

  (d) in its opinion, are not detrimental to the minority shareholders; and

  (e) in the best interest of the Company.

  The ARMC (except for interested director(s)) would recommend the RPTs and/or the RRPTs for approval at the subsequent Board meetings.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.5 Recurrent Related Party Transactions ("RRPTs"), Related Party Transactions ("RPTs") and Conflict of Interest Situations (Cont'd)

- In accordance with the Conflict-of-Interest Policy adopted by the Board on 22 November 2023, the ARMC reviewed and reported any conflict of interest situations to the Board, along with the measures taken to resolve, eliminate, or mitigate such conflicts.

- The ARMC also noted the quarterly report on RRPT that the cumulated amounts of RRPTs were within the shareholders' mandate obtained at the Annual General Meeting.

- Management was guided by the Group internal policy on RPTs i.e. Policies and Procedures on Related Party Transactions in identifying related parties and in the reporting of RPTs in compliance with the Main Market Listing Requirements.

5.6 Fraud, Bribery and Corruption

- There was no incident of fraud, bribery or corruption reported to the ARMC by the Executive Director or to the Chairperson of the ARMC during the year under the Group's whistleblowing policy.

- The Chairperson of the ARMC has also not received any reports requiring investigation sent to a dedicated email at ARMC@taliworks.com.my.

- Members of the ARMC and Management have also confirmed to the External Auditors that they were not aware of any incidence of fraud. Likewise the External Auditors have also confirmed the same to the ARMC.

6.0 INTERNAL AUDIT FUNCTION

- The internal audit function assists the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process. The internal audit function provides assessments as to whether risks, which may hinder the Group from achieving its objectives, are being adequately evaluated, managed and controlled. It further evaluates the effectiveness of the governance, risk management and internal control framework (including RPTs) and facilitates enhancement, where appropriate.

- In this respect, the ARMC is supported by an in-house GIA in the discharge of its duties and responsibilities. The GIA is guided by the Guidelines on Internal Audit Function issued by the Internal Auditors Malaysia and the Internal Audit Charter as approved by the ARMC that provides the framework for the efficient and effective functioning of the internal audit function.

- The GIA personnel have declared themselves to be free from any relationships or conflicts of interest which might impair their objectivity and independence. To further safeguard their impartiality, the GIA reports directly to the ARMC and it is not involved, directly or indirectly, in any operational responsibilities. The Internal Audit Budget and Resource Plan is also tabled and approved by the ARMC. The GIA carries out its role in accordance with the Institute of Internal Auditors International Professional Practices Framework. The GIA is responsible to independently review, appraise and recommend improvements to the governance, risk management and internal control systems established by the Management. The GIA provides timely and impartial advice to the ARMC and the respective Management as to whether activities reviewed are:-

  (a) in accordance with the Group's policies and direction;

  (b) in compliance with prescribed laws and regulations; and

  (c) achieving the desired results effectively and efficiently.

6.0 INTERNAL AUDIT FUNCTION (CONT'D)

- On a quarterly basis, the GIA submits audit reports to the ARMC for review and action.

- The GIA performs risk-based (i.e. high priority risk areas based on risk evaluations including risk management profile), ad-hoc and routine audits in accordance with the Internal Audit Plans as approved by the ARMC. Root-cause analysis is conducted as part of the IA work to enable relevant recommendations to address the weaknesses noted. The audit results are discussed with the respective Management and action plans were put in place to complete the necessary preventive and corrective actions before presenting to ARMC for review. Where applicable, the GIA conducts follow up audits to ensure that Management's commitment on corrective actions are fulfilled timely and appropriately. Internal audit engagements carried out by the GIA include operational, financial and compliance reviews.

- In addition, the GIA plays an advisory role to the Management in the course of performing its internal audit activities. In turn, the Management supports the internal audit function by:-

  (a) inviting the Head of GIA as an observer to the monthly management meetings and meetings of the RMWG to keep abreast of any important developments on business, operations, strategies, risks, controls etc;

  (b) providing unrestricted access to information and records, as well as making available adequate resources including personnel which are relevant to the internal audit function;

  (c) ensuring that the auditees implement all the internal audit recommendations to improve the effectiveness of governance, risk management, and internal control processes;

  (d) requiring all the heads of department in the Group to indicate in their annual appraisal form the status of all outstanding internal audit findings; and

  (e) not placing any restrictions on the scope of the internal audit undertaken by the GIA.

- The GIA provides internal audit services covering the Company, its operating subsidiaries and major associated companies. The total staff costs for the year (including remuneration, training, administrative charges etc) incurred by the GIA were approximately RM1,015,000 (2023: RM937,000).

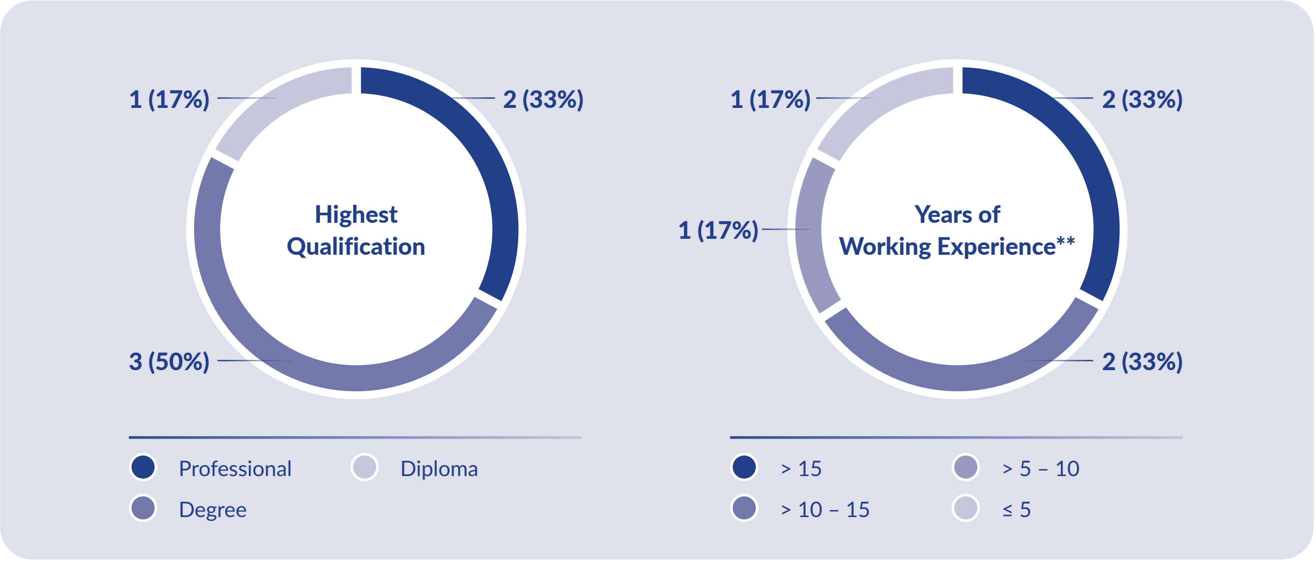
- The GIA is headed by a Senior Manager (Lee Chee Leong, Henry) who is a fellow member of the Association of Chartered Certified Accountants with double degrees in Applied Accounting and Applied Science with Computing. He was appointed as the Head of GIA since December 2011. He is well qualified to provide the necessary assurances to the ARMC and Management; having over twenty (20) years of experience in internal audit and various other functions (i.e. compliance, information technology, risk management, quality management, finance and credit control) involving multiple industries including merchant banking, investment banking, both life and general insurance, property development and construction.

- As of 31 December 2024, the Head of GIA was supported by a team of five (5) members.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

6.0 INTERNAL AUDIT FUNCTION (CONT'D)

- There is an adequate mix of knowledge, skills and other competencies needed to perform the internal audit function. The qualification of the GIA team members and their working experience can be categorised respectively as follows:-



** Total of all functions including internal audit, external audit, compliance, finance etc.

- To enhance the competency of the GIA, team members are provided with internal and external trainings throughout the year that include on-the-job trainings in auditing, report writing, presentation and communication skills, as well as external trainings e.g. Anti-Bribery Management System (ABMS) interactive learning modules, ABMS refresher course, e-invoice basic essential workshop, Microsoft Excel focus learning workshop, emergency first aid at workplace with cardiopulmonary resuscitation (CPR) & automated external defibrillators (AED) workshop, cybersecurity awareness talk, will and trust planning, HR for Non-HR Personnel, EY global integrity report 2024, SMB copilot workshop, advanced PowerPoint infographics workshop etc.

- Internal reviews are performed by the GIA on a routine basis to appraise the quality of work performed.

7.0 AUDIT AND RISK MANAGEMENT COMMITTEE'S REPORT

The ARMC had approved this Audit and Risk Management Committee Report for inclusion in this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with Part A of Appendix 9C of the Main Market Listing Requirements, the following are additional information to be disclosed in this Annual Report:-

1.0 PROFILE OF DIRECTORS, CHIEF EXECUTIVE AND KEY SENIOR MANAGEMENT

(a) The profile of the Directors and Chief Executive of the Company are stated under the Directors' Profile in this Annual Report.

(b) The profile of key senior management of the Group is disclosed in the Company's website at http://taliworks.com.my/corporate-information/ under the caption "Key Senior Management". Key Senior Management include (i) those who are charged with the Company's governance and management collective decision making and (ii) those who are primarily responsible for the business operations of the Group's core businesses.

2.0 AUDIT AND NON-AUDIT FEES

(a) The amount of audit fees paid or payable by the Company and its subsidiaries to the External Auditors, Deloitte PLT, are as follows:

(i) Company – RM114,400 (2023: RM109,000)
(ii) Group – RM471,400 (2023: RM502,385)

(b) The non-audit fees paid or payable for services rendered to the Company and its subsidiaries by the External Auditors, Deloitte PLT, or a firm or corporation affiliated to it, are as follows:

(i) Company – RM14,750 (2023: RM13,800)
(ii) Group – RM91,400 (2023: RM85,600)

The non-audit fees are mainly in relation to the following services:-

(i) provision of company taxation; and
(ii) tax advisory services

The above fees exclude Sales and Service Tax and out-of-pocket expenses.

3.0 STATUS OF UTILISATION OF PROCEEDS

There are no proceeds raised in a corporate proposal.

4.0 MATERIAL CONTRACTS

Save as disclosed in the Note 45 to the Financial Statements on the Significant Related Party Transactions, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the directors, chief executive who is not a director or major shareholders, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

ADDITIONAL COMPLIANCE INFORMATION

5.0 RECURRENT RELATED PARTY TRANSACTIONS

Pursuant to Paragraph 3.1.5 of Practice Note 12, the Recurrent Related Party Transactions entered into by the Company and its subsidiaries with related parties pursuant to a shareholders' mandate were as follows:

Related Parties	Type of the Recurrent Related Party Transactions	Aggregate value of Recurrent Related Party Transactions made during the financial year (RM'000)
Exitra Sdn. Bhd. and Exitra Solutions Sdn. Bhd.	Services rendered to the Company and Group by the related parties in relation to the provision of information technology services, broadband and maintenance, sales of hardware and software either as vendor or re-seller.	860
SWM Environment Sdn. Bhd.	Management services rendered by the Company to the related party.	1,521
Edaran SWM Sdn. Bhd.	Management services rendered by the Company to the related party.	1,710

6.0 PROPERTIES OF THE GROUP

Particulars of the properties of the Company or its subsidiaries have not been separately disclosed as their respective net book value represent less than 5% of the consolidated total assets of the Group as at the end of the financial year.

7.0 EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")

There is no ESOS implemented by the Company which is subsisting as at the end of the financial year.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors of **TALIWORKS CORPORATION BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of contracting, project and management services.

The information on the name, principal place of business, principal activities and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 19 to the financial statements.

RESULTS OF OPERATIONS

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

	The Group RM'000	The Company RM'000
Profit before tax	118,264	72,849
Income tax expense	(15,730)	(990)
Profit for the year	102,534	71,859
Profit attributable to:		
Owners of the Company	73,137	71,859
Non-controlling interests	29,397	-
	102,534	71,859

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

DIVIDENDS

The dividends on ordinary shares declared and paid by the Company since the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 December 2023 and dealt with in the previous year's Directors' Report:	
Fourth interim single-tier dividend of 1.0 sen per share paid on 29 March 2024	20,158
In respect of the financial year ended 31 December 2024:	
First interim single-tier dividend of 1.0 sen per share paid on 28 June 2024;	20,158
Second interim single-tier dividend of 1.0 sen per share paid on 27 September 2024; and	20,158
Third interim single-tier dividend of 2.0 sen per share paid on 23 December 2024	40,316
	100,790

Subsequent to the end of the financial year, on 27 February 2025, the directors declared the payment of a fourth interim single-tier dividend of 0.5 sen per share on 2,015,817,574 ordinary shares, amounting to approximately RM10,079,088 in respect of the current financial year to be paid on 28 March 2025. This dividend has not been included as a liability in the statements of financial position as of 31 December 2024. The dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2025.

The directors do not recommend any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no new shares or debentures issued during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

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

YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz
Datuk Roger Tan Kor Mee
Datin Tam Poh Lin
Chin Soong Jin (appointed on 1 March 2024)
Datin Lim Ai Ling (appointed on 15 August 2024)
Dato' Lim Yew Boon (resigned on 29 February 2024)
Raja Datuk Zaharaton Binti Raja Dato' Zainal Abidin (resigned on 13 June 2024)
Ahmad Jauhari Bin Yahya (resigned on 13 June 2024)
Lim Chin Sean (resigned on 13 June 2024)

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

Chee Lean Thong
Chew Hoong Cheong
Chin Soong Jin
Chua Yueh Ling
Datin Lee Li May
Dato' Lim Chee Meng
Lim Siew Ling
Norsam @ Norsamsida Binti Hassan
Teh Siok Wah
Wang Kwee Luan
Wong Voon Leong
Wong Wai Meng
Zulfikri Bin Suboh
Annie Binti Rosle
Eric Tan Chin Hong (alternate to Annie Binti Rosle) (appointed on 22 February 2024)
Rajasolan A/L Arumugam (appointed on 29 February 2024)
Azrina Binti Mohd Isa (alternate director to Annie Binti Rosle) (resigned on 22 February 2024)
Dato' Lim Yew Boon (resigned on 29 February 2024)
Phang Kwai Sang (resigned on 29 February 2024)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The interest in shares and options over shares in the Company and in the related corporation of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of Ordinary Shares			
	Balance as at 1.1.2024/ Date of appointment	Bought	Sold	Balance as at 31.12.2024
Shares in the Company				
Direct interest				
Datin Lim Ai Ling	37,607,078	-	(35,877,912)	1,729,166
Chin Soong Jin	1,438,333	-	-	1,438,333
Indirect interest				
Datin Tam Poh Lin @	275,000	-	-	275,000
Datin Lim Ai Ling @	18,217,916	-	-	18,217,916

@ Deemed interest by virtue of her spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016.

Other than disclosed above, none of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares and options over shares in the Company or its related corporation during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the transactions between the Company and/or its subsidiaries and companies in which certain directors of the Company or persons connected with such directors have an interest as disclosed in Note 45 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

The aggregate amount of emoluments receivable by directors of the Group and of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Non-executive Directors:		
Fees	688	688
Other emoluments	87	87
Executive Director:		
Fees	144	120
Salaries and bonus	598	598
Defined contribution plan	67	67
Other emoluments	1,110	1,106
	2,694	2,666

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' and officers' liability insurance for the purposes of Section 289 of the Companies Act, 2016, throughout the year, amounting to RM10,000,000, which provides indemnity coverage for the directors and officers of the Company and its subsidiaries. The amount of insurance premium paid during the year amounted to RM19,286 (inclusive of Sales and Service Tax and stamp duty).

There was no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

DIRECTORS' REPORT

AUDITORS' REMUNERATION

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

	Group RM'000	Company RM'000
Statutory audit	471	114
Non-audit services	91	15
	562	129

Signed on behalf of the Board
in accordance with a resolution of the directors,

____
CHIN SOONG JIN

____
DATIN LIM AI LING

Kuala Lumpur,
26 March 2025

STATEMENT BY DIRECTORS

The directors of **TALIWORKS CORPORATION BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors,

CHIN SOONG JIN

DATIN LIM AI LING

Kuala Lumpur,
26 March 2025

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

I, **WONG VOON LEONG (CA 7225)**, the officer primarily responsible for the financial management of **TALIWORKS CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

WONG VOON LEONG

Subscribed and solemnly declared by the
abovenamed **WONG VOON LEONG** at
KUALA LUMPUR this 26th day of March, 2025.

Before me,

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
W788
SHI'ARATUL AKMAR
BINTI SAHARI
1.1.2025 - 31.12.2027
MALAYSIA

No. 12-1, Jalan 9/23A,
Medan Makmur,
Off Jalan Usahawan, Setapak,
53200 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT

to the Members of Taliworks Corporation Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TALIWORKS CORPORATION BERHAD**, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 189 to 269.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters (Cont'd)

Key audit matters	How the matter was addressed in the audit
Impairment assessment of goodwill	
As at 31 December 2024, the Group has goodwill of RM132,503,000, of which RM129,385,000 is relating to a subsidiary, Cerah Sama Sdn. Bhd. ("CSSB"). The RM129,385,000 goodwill arose from a restructuring exercise in August 2014, and is allocated to the Toll Highway cash generating unit (the "Toll CGU"). In performing the impairment assessment of goodwill, management is required to estimate the recoverable amount of the Toll CGU. The recoverable amount is calculated based on an estimation of the present value of the future cash flows expected to be generated ("value-in-use model"). The key bases and assumptions used in the value-in-use model involve a significant degree of management judgements and estimates, such as the traffic volume growth, which was projected by an external traffic expert engaged to assist management. Refer to key bases and assumptions used as disclosed in Note 23.	Our audit procedures, amongst others, included the following: • Performed inquiries with the management to understand and evaluated the process and controls in developing the value-in-use model; • Evaluated the appropriateness of the methodology of the management's value-in-use model, including the verification of the mathematical accuracy of the underlying calculations and understanding the basis for management judgements and estimates; • Performed retrospective review of the cash flow projections used in the value-in-use model to assess the reliability of the management's estimates; • Interviewed the external traffic consultant on the modelling process and methodology used in the new traffic report; • Enquired and challenged the key assumptions used to derive the traffic volume growth forecast; • Involved our internal valuation specialists in assessing the appropriateness of the discount rate used; • Evaluated the work of our internal valuation specialists which includes the relevance and reasonableness of their findings or conclusions; • Challenged the reasonableness of the key bases and assumptions underpinning the value-in-use model, specifically the traffic volume growth rate used in the key assumptions; • Performed sensitivity analysis on the key assumptions to assess if any reasonable possible change in these assumptions can lead to an impairment loss; • Assessed the results of the impairment assessment by comparing the recoverable amount of the Toll CGU to its carrying amount; and • Assessed the adequacy and appropriateness of the disclosures made in the financial statements.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INDEPENDENT AUDITORS' REPORT

to the Members of Taliworks Corporation Berhad
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

to the Members of Taliworks Corporation Berhad
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 to the financial statements.

Other Matter

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

Deloitte PLT

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

WONG KAR CHOON
Partner - 03153/08/2026 J
Chartered Accountant

Kuala Lumpur,
26 March 2025

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	5	451,398	374,704	155,072	161,465
Cost of operations	6	(277,255)	(250,191)	(81,014)	(61,641)
Gross profit		174,143	124,513	74,058	99,824
Other operating income	7	18,675	11,863	7,919	8,970
Administrative and other expenses	8	(41,414)	(36,510)	(7,866)	(10,347)
Finance costs	9	(15,917)	(17,491)	(1,262)	(1,391)
Share of results of joint venture		12,709	5,502	-	-
Share of results of associates		(29,932)	(20,811)	-	-
Profit before tax		118,264	67,066	72,849	97,056
Income tax expense	12	(15,730)	(17,613)	(990)	(1,416)
Profit for the year		102,534	49,453	71,859	95,640
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences		722	(398)	-	-
Total comprehensive income for the financial year		103,256	49,055	71,859	95,640
Profit for the year attributable to:					
Owners of the Company		73,137	41,962	71,859	95,640
Non-controlling interests		29,397	7,491	-	-
		102,534	49,453	71,859	95,640
Total comprehensive income for the year attributable to:					
Owners of the Company		73,859	41,564	71,859	95,640
Non-controlling interests		29,397	7,491	-	-
		103,256	49,055	71,859	95,640
Earnings per share attributable to owners of the Company (sen)					
Basic and diluted	13	3.63	2.08		

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

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2024

	Note	The Group 2024 RM'000	The Group 2023 RM'000	The Company 2024 RM'000	The Company 2023 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	107,162	121,072	416	458
Right-of-use assets	15	28,185	31,967	20,514	23,444
Investment properties	16	93	96	93	96
Intangible assets	18	921,891	959,438	-	-
Investment in subsidiaries	19	-	-	328,079	328,079
Investment in joint venture	20	75,119	71,410	67,173	67,173
Investment in associates	21	75,336	107,668	230,784	230,784
Other investment	22	200	200	-	-
Goodwill on consolidation	23	132,503	132,503	-	-
Long-term other receivable	29	11,919	13,423	-	-
Amount due from subsidiaries	30	-	-	90,914	115,898
Deposits, cash and bank balances	26	55,403	45,924	4,542	4,533
Deferred tax assets	24	6,588	6,373	3,101	3,513
Total Non-Current Assets		1,414,399	1,490,074	745,616	773,978
Current Assets					
Inventories	27	66,778	39,023	-	-
Trade receivables	25	61,576	65,905	10,251	16,178
Other receivables, deposits and prepayments	29	12,800	18,590	2,460	1,837
Amount due from subsidiaries	30	-	-	64,062	42,528
Tax recoverable		1,156	1,008	548	598
Investments designated at fair value through profit or loss	31	34,221	50,846	1,300	271
Deposits, cash and bank balances	26	99,749	82,478	3,760	20,345
Total Current Assets		276,280	257,850	82,381	81,757
TOTAL ASSETS		1,690,679	1,747,924	827,997	855,735

	Note	The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	32	438,354	438,354	438,354	438,354
Merger deficit	33	(71,500)	(71,500)	-	-
Currency translation reserve	34	107	(615)	-	-
Retained earnings	35	302,020	329,673	303,734	332,665
Total Equity Attributable to Owners of the Company		668,981	695,912	742,088	771,019
Non-controlling interests		293,427	267,950	-	-
Total Equity		962,408	963,862	742,088	771,019
Non-Current Liabilities					
Long-term borrowings	36	229,473	269,215	-	-
Lease liabilities	37	27,395	30,548	19,251	21,635
Long-term trade payables	38	2,126	1,629	-	-
Provisions	39	38,672	39,745	809	809
Deferred income	40	39,482	52,401	-	-
Deferred tax liabilities	24	209,680	237,670	-	-
Total Non-Current Liabilities		546,828	631,208	20,060	22,444
Current Liabilities					
Trade payables	38	33,175	28,033	1,068	719
Other payables and accruals	41	29,508	34,334	12,219	17,067
Amount due to contract customers	28	49,127	35,923	50,178	37,221
Provisions	39	-	8	-	-
Short-term borrowings	36	44,358	35,000	-	5,000
Lease liabilities	37	3,153	2,943	2,384	2,265
Deferred income	40	13,480	13,989	-	-
Tax liabilities		8,642	2,624	-	-
Total Current Liabilities		181,443	152,854	65,849	62,272
Total Liabilities		728,271	784,062	85,909	84,716
TOTAL EQUITY AND LIABILITIES		1,690,679	1,747,924	827,997	855,735

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

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2024

The Group	Note	Share capital RM'000	Non-distributable reserve Merger deficit RM'000	Currency translation reserve RM'000	Distributable reserve Retained earnings RM'000	Attributable to Owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 January 2023		438,354	(71,500)	(217)	420,755	787,392	260,459	1,047,851
Profit for the year		-	-	-	41,962	41,962	7,491	49,453
Other Comprehensive Loss:								
Currency translation differences		-	-	(398)	-	(398)	-	(398)
Total Comprehensive (Loss)/Income for the year		-	-	(398)	41,962	41,564	7,491	49,055
Transactions with Owners of the Company:								
Dividends paid	42	-	-	-	(133,044)	(133,044)	-	(133,044)
As at 31 December 2023		438,354	(71,500)	(615)	329,673	695,912	267,950	963,862
As at 1 January 2024		438,354	(71,500)	(615)	329,673	695,912	267,950	963,862
Profit for the year		-	-	-	73,137	73,137	29,397	102,534
Other Comprehensive Income:								
Currency translation differences		-	-	722	-	722	-	722
Total Comprehensive Income for the year		-	-	722	73,137	73,859	29,397	103,256
Transactions with Owners of the Company:								
Dividends paid	42	-	-	-	(100,790)	(100,790)	-	(100,790)
Dividends paid by a subsidiary to non-controlling interest		-	-	-	-	-	(3,920)	(3,920)
As at 31 December 2024		438,354	(71,500)	107	302,020	668,981	293,427	962,408

The Company	Note	Share capital RM'000	Distributable reserve- Retained earnings RM'000	Total equity RM'000
As at 1 January 2023		438,354	370,069	808,423
Profit for the year/Total comprehensive income for the year		-	95,640	95,640
Total Comprehensive Income for the year		-	95,640	95,640
Transactions with Owners of the Company:				
Dividends paid	42	-	(133,044)	(133,044)
As at 31 December 2023		438,354	332,665	771,019
As at 1 January 2024		438,354	332,665	771,019
Profit for the year/Total comprehensive income for the year		-	71,859	71,859
Total Comprehensive Income for the year		-	71,859	71,859
Transactions with Owners of the Company:				
Dividends paid	42	-	(100,790)	(100,790)
As at 31 December 2024		438,354	303,734	742,088

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

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2024

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before tax	118,264	67,066	72,849	97,056
Adjustments for:				
Net loss/(gain) arising on financial assets measured at fair value through profit or loss	64	(339)	(2)	(184)
Net (reversal of)/allowance on receivables and amount due from contract customers	(5)	(727)	(31)	43
Amortisation of intangible assets	37,547	29,104	-	-
Finance costs	15,917	17,491	1,262	1,391
Interest expense on operating lease included in contract cost	19	-	-	-
Depreciation of:				
Property, plant and equipment	12,218	13,311	208	221
Investment properties	3	3	3	3
Right-of-use assets	3,782	3,783	2,930	2,931
Gain on disposal of assets held for sale	-	(1,806)	-	-
Provision for heavy repairs	600	5,492	-	-
Impairment loss on investment in subsidiaries	-	-	-	3,910
Write off of property, plant and equipment	15,130	2	-	-
Unrealised foreign exchange loss/(gain)	1,220	(421)	5	(2)
Interest expense imputed in borrowings	258	308	-	-
Interest income imputed in retention sums	(19)	(17)	-	-
Deferred income recognised:				
Government compensation	(13,989)	(14,389)	-	-
Rental and maintenance fee	(624)	(328)	-	-
Interest income from banks	(2,585)	(2,391)	(548)	(502)
Interest income on intercompany loans	-	-	(6,500)	(6,988)
Share of results of:				
Joint venture	(12,709)	(5,502)	-	-
Associates	29,932	20,811	-	-
Investment designated at fair value through profit or loss:				
Dividend income	(1,191)	(2,321)	(26)	(500)
Gain on redemption	(347)	(368)	-	-
Gain on disposal of property, plant and equipment	(112)	(64)	(58)	(30)
Dividend income	-	-	(70,480)	(96,729)

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating Profit Before Working Capital Changes	203,373	128,698	(388)	620
Decrease/(Increase) in:				
Inventories	(27,755)	(18,109)	-	-
Amount due from joint venture	-	-	12	(113)
Amount due from associates	-	-	(3)	713
Trade and other receivables	9,479	11,987	(14,182)	(47,587)
Increase/(Decrease) in:				
Amount due to contract customers	13,018	22,151	12,957	20,897
Trade and other payables	2,423	4,544	(4,499)	4,608
Provisions	(1,681)	(85)	-	-
Deferred income	1,186	3,440	-	-
Cash Generated From/(Used In) Operations	200,043	152,626	(6,103)	(20,862)
Income tax paid	(38,116)	(26,506)	(579)	(1,503)
Income tax refunded	51	3,993	51	90
Net Cash From/(Used In) Operating Activities	161,978	130,113	(6,631)	(22,275)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Interest received	2,723	1,885	317	241
Net (increase)/decrease in amount due from subsidiaries and associates	-	-	(227)	25,212
Property, plant and equipment:				
Proceeds from disposal	156	64	100	30
Purchases	(13,491)	(2,329)	(208)	(359)
Dividends received from:				
Subsidiaries	-	-	59,080	87,990
Joint venture	9,000	7,875	9,000	7,875
Associates	2,400	864	2,400	864
Investment designated at fair value through profit or loss:				
Dividend income	1,191	2,321	26	500
Purchase	(57,992)	(35,124)	(1,027)	(500)
Proceeds from redemption	74,900	105,724	-	27,024
Repayment of loan from subsidiaries	-	-	29,911	15,316
(Placements)/Withdrawals of deposits pledged as security	(9,479)	1,593	(9)	(9)
Net Cash From Investing Activities	9,408	82,873	99,363	164,184

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2024

	Note	The Group 2024 RM'000	The Group 2023 RM'000	The Company 2024 RM'000	The Company 2023 RM'000
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES					
Interest paid		(16,541)	(18,157)	(1,262)	(1,368)
Dividends paid		(100,790)	(133,044)	(100,790)	(133,044)
Dividends paid by a subsidiary to non-controlling interests		(3,920)	-	-	-
Drawdown from corporate credit card		4,358	-	-	-
Repayments of borrowings		(30,000)	(30,000)	-	-
(Repayment)/Drawdown of revolving credit		(5,000)	5,000	(5,000)	5,000
Repayment of lease liabilities		(2,943)	(2,758)	(2,265)	(2,152)
Net Cash Used In Financing Activities		(154,836)	(178,959)	(109,317)	(131,564)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		16,550	34,027	(16,585)	10,345
Effects of foreign exchange rate changes		721	(403)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		82,478	48,854	20,345	10,000
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	26	99,749	82,478	3,760	20,345

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. GENERAL INFORMATION

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

The principal activities of the Company are investment holding, provision of contracting, project and management services.

The information on the name, principal place of business, principal activities and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 19.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

The principal place of business of the Company is located at Level 19, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, Malaysia.

The financial statements of the Group and of the Company are presented in their functional currency which is Ringgit Malaysia ("RM").

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors dated 26 March 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of Amendments to MFRSs

In the current financial year, the Group and the Company adopted all the Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are effective for annual financial periods beginning on or after 1 January 2024 as follows:

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

The adoption of these Amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and had no significant effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

New and Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the Amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to MFRS 121	Lack of Exchangeability[1]
MFRS 18	Presentation and Disclosure in Financial Statements[3]
MFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments[2]
Annual Improvement to MFRS Standards-Volume 11[2]	
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity[2]

[1] Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.
[4] Effective date deferred to a date to be determined and announced by MASB

The directors anticipate that the abovementioned MFRSs and Amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these standards will have no material impact on the financial statements of the Group and of the Company in the period of initial application, except for the presentation and disclosure required by MFRS 18 which introduces new categories and subtotals in the statement of profit and loss. It also requires the disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information, all of which the Directors are currently assessing.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's accounting policies

The accounting policies adopted by the Group are consistent with those adopted in the previous years and the directors are of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The directors believe that there are no key assumptions made 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 except as disclosed in the following notes:

Accounting judgements and estimates	Note
Impairment of intangible assets	Note 18
Impairment of goodwill on consolidation	Note 23
Amortisation of intangible assets	Note 18
Provision for heavy repairs	Note 39
Recognition of deferred tax assets	Note 24
Construction contracts	Note 5
Impairment of amount due from contract customers and other receivables	Note 28, Note 29

4. SEGMENT REPORTING

The Group has determined the operating segments based on the reports reviewed by the chief operating decision maker which is the Executive Committee entrusted to make decisions and performance review:

Water	Management, operations and maintenance of water treatment plants.
Construction	Provision of contracting, project and management services relating to construction contracts.
Toll highway	Operations and maintenance of toll highways.
Waste management	Solid waste collection and public cleansing management and other related activities.
Renewable energy	Business development of solar and other renewable energy projects.
Others	Investment holding and other non-core businesses other than the above.

The revenue and profit performance represent the Group's proportionate share of interest in each of the subsidiaries (instead of full consolidation) and includes a proportionate share of the interest of joint ventures or associates (instead of being equity accounted). The total is then reconciled to the revenue and profit performance in the statements of profit or loss and other comprehensive income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

4. SEGMENT REPORTING (CONT'D)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Water		Construction		Toll highway		Waste management		Renewable energy		Others		Total		Reconciliation		Amount as per statement of profit or loss and other comprehensive income	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	195,344	195,981	72,565	59,759	111,752	70,520	350,601	342,077	29,616	24,933	4,332	4,332	764,210	697,602	(312,812)	(322,898)	451,398	374,704
EBITDA(i)	65,828	58,736	2,588	4,554	97,861	53,076	39,586	63,787	11,835	21,435	(5,815)	(7,866)	211,883	193,722	(7,604)	(48,305)	204,279	145,417
Depreciation and amortisation	(470)	(375)	(16)	(21)	(29,310)	(23,303)	(12,001)	(11,495)	(10,681)	(11,515)	(3,137)	(3,152)	(55,615)	(49,861)	2,740	4,310	(52,875)	(45,551)
Operating profit/(loss)	65,358	58,361	2,572	4,533	68,551	29,773	27,585	52,292	1,154	9,920	(8,952)	(11,018)	156,268	143,861	(4,864)	(43,995)	151,404	99,866
Finance costs	(23)	(4)	-	-	(8,249)	(9,402)	(33,820)	(30,090)	(494)	(521)	(1,261)	(1,390)	(43,847)	(41,407)	27,930	23,916	(15,917)	(17,491)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,709	5,502	12,709	5,502
Share of results of associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(29,932)	(20,811)	(29,932)	(20,811)
Profit/(Loss) before tax	65,335	58,357	2,572	4,533	60,302	20,371	(6,235)	22,202	660	9,399	(10,213)	(12,408)	112,421	102,454	5,843	(35,388)	118,264	67,066
Income tax (expense)/credit	(14,759)	(12,661)	30	(471)	(16,002)	(6,079)	(11,744)	(18,970)	19,308	1,097	(989)	(321)	(24,156)	(37,405)	8,426	19,792	(15,730)	(17,613)
Profit/(Loss) for the year	50,576	45,696	2,602	4,062	44,300	14,292	(17,979)	3,232	19,968	10,496	(11,202)	(12,729)	88,265	65,049	14,269	(15,596)	102,534	49,453
EBDA(ii)	51,046	46,071	2,618	4,083	73,610	37,595	(5,978)	14,727	30,649	22,011	(8,065)	(9,577)	143,880	114,910	11,529	(19,906)	155,409	95,004
Capex(iii)	630	509	274	127	536	757	20,624	26,829	11,600	471	208	359	33,872	29,052	(20,390)	(26,714)	13,482	2,338

4. SEGMENT REPORTING (CONT'D)

Segment revenues and results (Cont'd)

(i) EBITDA is defined as earnings before finance costs, taxation, depreciation and amortisation (and excludes share of results of associates and joint venture).
(ii) EBDA is defined as earnings before depreciation and amortisation.
(iii) Capex is defined as capital expenditure based on the Group's proportionate share on capital expenditure incurred for the year.

<u>Notes</u>

1. The Group monitors the performance of its business by five main business divisions namely water treatment and supply, construction, toll highway, waste management and renewable energy. Others refer to investment holding and other non-core businesses. Goodwill has been allocated to reportable segments as described in Note 23.

2. The segmental information on the waste management division excluded the fair value measurement adjustments made at the Group level. This is to better assess the operational performance of the division. The segmental results (including the calculation of the EBITDA and EBDA), are solely from the concession business, after proportionate deduction of the dividend on the cumulative preferences shares held by parties other than the Group.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities:

	Water		Construction		Toll highway		Waste management		Renewable energy		Others		Total	
As of 31 December	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Segment assets	105,484	101,794	86,267	74,662	1,258,629	1,247,504	61,947	94,176	139,213	169,413	39,139	60,375	1,690,679	1,747,924
Segment liabilities	(33,755)	(22,954)	(74,510)	(60,439)	(576,699)	(625,778)	-	-	(18,787)	(38,328)	(24,520)	(36,563)	(728,271)	(784,062)
Net segment assets	71,729	78,840	11,757	14,223	681,930	621,726	61,947	94,176	120,426	131,085	14,619	23,812	962,408	963,862

Geographical segments

No geographical segment information is presented as the Group's revenue is all derived from Malaysia based on the location of services delivered.

Information about major customer

Revenue from Water segment of RM195,344,000 (2023: RM195,981,000) and Construction segment of RM72,565,000 (2023: RM52,709,000) are contributed from sales or services to Pengurusan Air Selangor Sdn. Bhd., the Group's one and only largest customer, as described in Note 25. No other single customer contributed 10% or more to the Group's revenue in either 2024 or 2023.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

5. REVENUE

	Note	The Group 2024 RM'000	The Group 2023 RM'000	The Company 2024 RM'000	The Company 2023 RM'000
Revenue from contracts with customers					
Management, operations and maintenance of water treatment plants	(a)	195,344	195,981	-	-
Toll collection	(b)	79,015	75,309	-	-
Revenue from construction contracts	(c)	72,565	59,760	72,565	52,709
Sales of electricity	(d)	29,616	24,933	-	-
Management fees (Note 45)	(e)	4,332	4,332	12,027	12,027
		380,872	360,315	84,592	64,736
Revenue from other sources:					
Deferred income (Note 40)		13,989	14,389	-	-
Government compensation	(f)	56,537	-	-	-
Dividend from subsidiaries, associates and joint venture (Note 45)	(g)	-	-	70,480	96,729
		70,526	14,389	70,480	96,729
		451,398	374,704	155,072	161,465
Timing of revenue recognition:					
At a point in time		303,975	296,223	-	-
Over time		76,897	64,092	84,592	64,736
Revenue from contracts with customers		380,872	360,315	84,592	64,736

(a) Management, operation and maintenance of water treatment plants

The revenue from water treatment and supply segment operated by a subsidiary is derived from the operations and maintenance contract for the Sungai Selangor Water Treatment Plant Phase 1 owned by Pengurusan Air Selangor Sdn. Bhd. which supplies treated potable water to large parts of Selangor and Kuala Lumpur.

The Group recognises revenue from water treatment and supply segment at a point-in-time as and when each cubic meter of treated water is produced for Pengurusan Air Selangor Sdn. Bhd..

(b) Toll collection

The Group recognises revenue from toll collection at a point-in-time as and when toll is chargeable for the usage of its highways.

5. REVENUE (CONT'D)

(c) Revenue from construction contracts

The Group recognises contract revenue and cost over time based on the percentage of completion method for the Rasau Projects. The stage of completion is referred to as the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

Significant judgement is required in determining the stage of completion towards complete satisfaction of performance obligations and determine whether there is any exposure to Liquidated Ascertained Damage ("LAD") based on the facts and circumstances of the relevant construction projects, transaction price allocation and the extent of the contract costs incurred to recognise revenue over time. The Group also considers the completeness and accuracy of its estimated total contract sum and contract costs, including contract variations, claims and contingencies. In making these judgements, the Group relies on past experience and work of specialists.

There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the progress billing is always less than one year.

(d) Sales of electricity

The revenue from renewable energy segment is derived from the sale of electricity generated from solar photovoltaic plants by subsidiaries with feed-in approval certificate by the Sustainable Energy Development Authority ("SEDA").

The Group recognises revenue from the sale of electricity at the point in time as and when electricity is delivered to the off-takers, based on the invoiced value of sale of electricity computed at a pre-determined rate.

(e) Management fees

Management fee from the provision of management services is recognised over time and on an accrual basis, by reference to the agreements entered into.

(f) Government compensation

Pursuant to the relevant concession agreement, the Government of Malaysia ("the Government") reserves the right to restructure or to restrict the imposition of unit toll rate increases, and in such event, the Government shall compensate the company for any reduction in toll revenue, subject to negotiation and other considerations that the Government may deem fit. Toll compensation is recognised as and when recovery is probable and the amount that is recoverable can be measured reliably.

In 2024, the government compensation mainly represents compensation from the Government as a result of the deferment of toll increase due in the year 2023 recognised by a subsidiary, Grand Saga Sdn. Bhd. No such compensation was recognised in the previous financial year.

(g) Dividend income

Dividend income is recognised when the rights of the Company to receive payment are established.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

6. COST OF OPERATIONS

The cost of operations for the year has been arrived at after charging/(crediting):

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Contract costs recognised	68,907	53,946	70,805	51,430
Amortisation of intangible assets (Note 18)	37,547	29,104	-	-
Provision for heavy repairs and asset retirement obligations (Note 39)	600	5,492	-	-
Depreciation of property, plant and equipment (Note 14)	10,471	11,794	-	-
Write off of property, plant and equipment (Note 14)	15,129	-	-	-
Short term lease of plant and machinery	12	47	-	-

7. OTHER OPERATING INCOME

The other operating income consist of the following:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income on fixed deposits with licensed banks	2,585	2,391	548	502
Interest income on intercompany loan	-	-	6,500	6,988
Interest income imputed in retention sums (Note 38)	19	17	-	-
Investment designated at FVTPL:				
Dividend income	1,191	2,321	26	500
Gain on redemption	347	368	-	-
Rental income	352	351	15	15
Income from subleasing right-of-use assets	-	-	737	737
Gain on disposal of property, plant and equipment	112	77	58	30
Unrealised gain on foreign exchange	137	807	-	2
Fair value gain arising on financial assets measured at FVTPL (Note 31)	2	339	2	184
Recognition of rental and maintenance fee (Note 40)	624	328	-	-
Reversal of loss allowances on:				
Amount due from contract customers (Note 28)	-	313	-	-
Other receivables (Note 29)	2	459	-	-
Trade receivables (Note 25)	34	-	31	-
Gain on disposal of assets held for sale (Note 17)	-	1,806	-	-

8. ADMINISTRATIVE AND OTHER EXPENSES

The administrative and other expenses consist of the following:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Loss allowance on:				
Trade receivables (Note 25)	-	45	-	43
Amount due from contract customers (Note 28)	31	-	-	-
Fair value loss arising on financial assets measured at FVTPL (Note 31)	66	-	-	-
Depreciation of right-of-use assets (Note 15)	3,782	3,783	2,930	2,931
Depreciation of property, plant and equipment (Note 14)	1,070	868	208	221
Expense relating to short-term leases:				
Premises	10	11	-	-
Others	91	117	54	55
Unrealised loss on foreign exchange	1,357	386	5	-
Realised loss on foreign exchange	211	6	-	-
Auditors' remuneration of:				
Statutory audit	471	502	114	109
Other services β	91	85	15	14
Interest expense imputed in borrowings (Note 36)	258	308	-	-
Write off of property, plant and equipment	1	2	-	-
Depreciation of investment properties (Note 16)	3	3	3	3
Loss on disposal of property, plant and equipment	-	16	-	-
Impairment on investment in subsidiaries (Note 19)	-	-	-	3,910

β Other services included, amongst others, tax-related services rendered to the Group and the Company amounting to RM91,000 and RM15,000 (2023: RM85,000 and RM14,000) respectively which were paid or payable to a firm affiliated to the Group's auditors.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

9. FINANCE COSTS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2024 RM'000
Interest expense:				
IMTN	14,138	15,575	-	-
Lease liabilities	1,749	1,889	1,255	1,368
Revolving credit	-	23	-	23
Overdraft interest	7	-	7	-
Interest imputed in trade payable (Note 38)	23	4	-	-
	15,917	17,491	1,262	1,391

10. STAFF COSTS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages, salaries and bonus	31,512	29,062	10,299	9,643
Defined contribution plan	3,116	2,781	980	946
Other employee benefits	674	644	170	170
	35,302	32,487	11,449	10,759

Included in staff costs of the Group and of the Company are directors' remuneration of RM2,694,000 (2023: RM1,713,000) and RM2,666,000 (2023: RM1,685,000) respectively as further disclosed in Note 11.

Benefits-in-kind received by Executive Director and other members of key management of the Group and the Company are RM184,000 (2023: RM374,000) and RM116,000 (2023: RM85,000) respectively.

11. DIRECTORS' REMUNERATION

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

Non-executive Directors

YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz
Datuk Roger Tan Kor Mee
Datin Tam Poh Lin
Datin Lim Ai Ling (appointed on 15 August 2024)
Raja Datuk Zaharaton Binti Raja Dato' Zainal Abidin (resigned on 13 June 2024)
Ahmad Jauhari Bin Yahya (resigned on 13 June 2024)
Lim Chin Sean (resigned on 13 June 2024)

11. DIRECTORS' REMUNERATION (CONT'D)

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are as follows: (Cont'd)

Executive Director

Chin Soong Jin (appointed on 1 March 2024)
Dato' Lim Yew Boon (resigned on 29 February 2024)

The aggregate amount of emoluments receivable by directors of the Company during the financial year are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-executive Directors:				
Fees	688	897	688	897
Other emoluments	87	71	87	71
Executive Director:				
Fees	144	144	120	120
Salaries and bonus	598	528	598	528
Defined contribution plan	67	21	67	21
Other emoluments	1,110	52	1,106	48
	2,694	1,713	2,666	1,685

12. INCOME TAX EXPENSE

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysian income tax:				
Current year	44,228	28,532	568	1,092
(Over)/Under-provision in prior year	(293)	(305)	10	(124)
	43,935	28,227	578	968
Deferred tax (Note 24):				
Current year	(28,205)	(10,614)	412	448
Income tax expense recognised in profit or loss	15,730	17,613	990	1,416

Income tax for the Group is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.

12. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	118,264	67,066	72,849	97,056
Taxation at statutory tax rate	28,383	16,096	17,484	23,293
Tax effects of:				
Non-deductible expenses	5,532	4,903	258	1,296
Non-taxable income	(539)	(2,326)	(16,935)	(23,387)
Utilisation of previously unrecognised deferred tax assets	(18,843)	(1,096)	-	-
Deferred tax assets not recognised	1,490	341	173	338
(Over)/Under-provision of income tax expense in prior years	(293)	(305)	10	(124)
Income tax expense recognised in profit or loss	15,730	17,613	990	1,416

13. EARNINGS PER SHARE

Basic and diluted earnings per share attributable to owner of the Company are computed by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2024 RM'000	2023 RM'000
Profit for the year attributable to owners of the Company	73,137	41,962
Weighted average number of ordinary shares in issue ('000)	2,015,817	2,015,817
Earnings per share (sen)	3.63	2.08

There are no dilutive potential ordinary shares attributable to the Company as at the end of the financial year.

14. PROPERTY, PLANT AND EQUIPMENT

The Group 2024	Renewable energy plant RM'000	Assets retirement obligations RM'000	Assets under construction RM'000	Plant and machinery RM'000	Mechanical and electrical RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Building renovations RM'000	Toll equipment RM'000	Highway-operation equipment RM'000	Total RM'000
Cost											
As of 1 January 2024	127,218	5,163	144	811	2,058	11,918	6,421	6,135	22,541	26	182,435
Additions	11,430	-	-	379	-	664	348	178	483	-	13,482
Disposals	-	-	-	-	-	(1,020)	(668)	-	-	-	(1,688)
Write offs	(31,077)	-	-	-	-	(22)	-	-	-	-	(31,099)
As of 31 December 2024	107,571	5,163	144	1,190	2,058	11,540	6,101	6,313	23,024	26	163,130
Accumulated depreciation											
As of 1 January 2024	17,519	500	-	270	2,058	10,174	3,768	6,003	21,045	26	61,363
Charge for the year	9,412	250	-	206	-	675	819	47	809	-	12,218
Disposals	-	-	-	-	-	(1,018)	(626)	-	-	-	(1,644)
Write offs	(15,947)	-	-	-	-	(22)	-	-	-	-	(15,969)
As of 31 December 2024	10,984	750	-	476	2,058	9,809	3,961	6,050	21,854	26	55,968

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

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

The Group 2023	Renewable energy plant RM'000	Assets retirement obligations RM'000	Assets under construction RM'000	Plant and machinery RM'000	Mechanical and electrical RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Building renovations RM'000	Toll equipment RM'000	Highway-operation equipment RM'000	Total RM'000
Cost											
As of 1 January 2023	127,218	5,163	95	544	2,058	10,742	6,446	6,107	22,304	26	180,703
Additions	-	-	49	267	-	1,256	501	28	237	-	2,338
Disposals	-	-	-	-	-	(5)	(526)	-	-	-	(531)
Write offs	-	-	-	-	-	(75)	-	-	-	-	(75)
As of 31 December 2023	127,218	5,163	144	811	2,058	11,918	6,421	6,135	22,541	26	182,435
Accumulated depreciation											
As of 1 January 2023	7,208	250	-	109	2,058	9,721	3,506	5,967	19,812	25	48,656
Charge for the year	10,311	250	-	161	-	531	788	36	1,233	1	13,311
Disposals	-	-	-	-	-	(5)	(526)	-	-	-	(531)
Write offs	-	-	-	-	-	(73)	-	-	-	-	(73)
As of 31 December 2023	17,519	500	-	270	2,058	10,174	3,768	6,003	21,045	26	61,363
Net book value											
As of 31 December 2024	96,587	4,413	144	714	-	1,731	2,140	263	1,170	-	107,162
As of 31 December 2023	109,699	4,663	144	541	-	1,744	2,653	132	1,496	-	121,072

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

The Company 2024	Mechanical and electrical RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Building renovations RM'000	Total RM'000
Cost					
As of 1 January 2024	1,773	7,118	587	5,426	14,904
Additions	-	92	-	116	208
Disposals	-	(974)	(422)	-	(1,396)
As of 31 December 2024	1,773	6,236	165	5,542	13,716
Accumulated depreciation					
As of 1 January 2024	1,773	6,723	524	5,426	14,446
Charge for the year	-	181	21	6	208
Disposals	-	(974)	(380)	-	(1,354)
As of 31 December 2024	1,773	5,930	165	5,432	13,300
2023					
Cost					
As of 1 January 2023	1,773	6,759	752	5,426	14,710
Additions	-	359	-	-	359
Disposals	-	-	(165)	-	(165)
As of 31 December 2023	1,773	7,118	587	5,426	14,904
Accumulated depreciation					
As of 1 January 2023	1,773	6,586	605	5,426	14,390
Charge for the year	-	137	84	-	221
Write off	-	-	(165)	-	(165)
As of 31 December 2023	1,773	6,723	524	5,426	14,446
Net book value					
As of 31 December 2024	-	306	-	110	416
As of 31 December 2023	-	395	63	-	458

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

(a) All items of property, plant and equipment (excluding right-of-use assets) are initially recorded at cost. After initial recognition, property, plant and equipment (excluding right-of-use assets) are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the property, plant and equipment. 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. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is computed on a straight-line method to allocate the cost of the assets, to their residual values over their estimated useful lives, summarised as follows:

Renewable energy plants	12 to 13 years
Asset retirement obligations	12 to 13 years
Plant and machinery	5 to 20 years
Mechanical and electrical	5 years
Office equipment, furniture and fittings	3 to 10 years
Motor vehicles	5 to 7 years
Building renovations	5 years
Toll equipment	10 years
Highway-operation equipment	5 to 10 years

(b) Assets under construction will only be depreciated when it is available for use, i.e.; when it is in the location and condition necessary for it to be operated.

(c) Included in motor vehicles are the right-of-use motor vehicles held under finance lease agreements. These assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. After the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities.

The right-of-use motor vehicles are depreciated on the straight-line basis over the periods 5 years of the lease terms.

The net book value of motor vehicles held under finance lease agreements of the Group and of the Company as at financial year end amounted to RM335,000 and RMNil respectively (2023: RM457,000 and RMNil).

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

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

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash payments on purchase of property, plant and equipment	13,491	2,329	208	359
Unsettled and remained as other payables	-	9	-	-
Settlement of amount previously in other payable	(9)	-	-	-
Purchase of property, plant and equipment	13,482	2,338	208	359

Included in the additions of property, plant, and equipment for the current financial year is RM11,430,000, related to the solar panel replacement exercise undertaken by TR Sepang Sdn. Bhd. and TR Cpark Sdn. Bhd..

(e) Depreciation charges for the financial year consist of:

		The Group		The Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Capitalised in amount due from contract customers	28	677	649	-	-
Included in statements of profit or loss and other comprehensive income:					
Cost of operations	6	10,471	11,794	-	-
Administrative and other expenses	8	1,070	868	208	221
		11,541	12,662	208	221
		12,218	13,311	208	221

15. RIGHT-OF-USE ASSETS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cost				
As of 1 January/31 December	38,886	38,886	28,921	28,921
Accumulated depreciation				
As of 1 January	6,919	3,136	5,477	2,546
Charge for the year (Note 8)	3,782	3,783	2,930	2,931
As of 31 December	10,701	6,919	8,407	5,477
Net book value				
As of 31 December	28,185	31,967	20,514	23,444

The right-of-use assets comprises leases on office premises and land. The assets are depreciated on the straight-line basis over the periods of the lease terms as follow:

Office premises lease	over the lease period of 9 years
Land leases	over the lease period of 12 years

(a) Office premises lease

The office premises lease represents the current lease arrangement with the landlord for a tenure of three (3) years at RM3,520,000 per annum. It commenced on 1 January 2022 and expiring on 31 December 2025 with an option to renew for two (2) additional terms of three (3) years each up to 31 December 2031. Lease payments are adjusted at the beginning of each renewal term based on the prevailing market rental rate, as mutually agreed by both parties.

(b) Land leases

The land lease represents the lease agreements of several parcels of land located in Sepang, Selangor, entered into by several subsidiaries with feed-in-approval with Malaysia Airports (Sepang) Sdn. Bhd. The lease has a tenure of 21 years from the feed-in tariff commencement date or by 31 December 2033, whichever is earlier. It grants the right to use the concession area for the construction and operation of a solar photovoltaic system and related facilities for solar energy production during the concession period.

16. INVESTMENT PROPERTIES

	The Group and The Company	
	2024 RM'000	2023 RM'000
Cost		
As of 1 January/31 December	187	187
Accumulated depreciation		
As of 1 January	65	62
Charge for the year (Note 8)	3	3
As of 31 December	68	65
Accumulated impairment loss		
As of 1 January/31 December	26	26
Net book value		
As of 31 December	93	96
Representing:		
Freehold building	93	96

Investment properties, comprising buildings that the Group does not occupy, are held for long-term rental yields or for capital appreciation, or both.

Fair value of the investment property of the Group and of the Company as of 31 December 2024 is estimated at RM249,600 (2023: RM249,600) based on directors' assessment of the current prices in an active market for the respective properties within the vicinity.

Details of the Group's and the Company's investment property, which is located in Malaysia, and information about the fair value hierarchy as at 31 December are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Fair Value RM'000
2024				
Freehold building	-	-	250	250
2023				
Freehold building	-	-	250	250

There were no transfers between Levels 1, 2 and 3 during the year.

17. ASSETS HELD-FOR-SALE

	The Group	
	2024 RM'000	2023 RM'000
As of 1 January	-	694
Disposal	-	(694)
As of 31 December	-	-

In 2021, a subsidiary, Taliworks (Langkawi) Sdn. Bhd. ("Taliworks Langkawi"), has accepted a purchase offer from Syarikat Air Darul Aman Sdn. Bhd. for the disposal of a parcel of land and building located in Kuah, Langkawi for a cash consideration of RM2.5 million. The disposal has been completed in 2023 and arising thereof, the Group recognised a gain on disposal amounting to RM1,806,000 in the previous financial year as disclosed in Note 7.

18. INTANGIBLE ASSETS

The Group	Concession right RM'000	River monitoring system RM'000	Total RM'000
Cost			
As of 1 January 2023	1,262,903	-	1,262,903
Addition	-	502	502
As of 31 December 2023/1 January 2024/31 December 2024	1,262,903	502	1,263,405
Accumulated amortisation			
As of 1 January 2023	274,863	-	274,863
Charge for the year (Note 6)	29,098	6	29,104
As of 31 December 2023/1 January 2024	303,961	6	303,967
Charge for the year (Note 6)	37,509	38	37,547
As of 31 December 2024	341,470	44	341,514
Carrying amount			
As of 31 December 2024	921,433	458	921,891
As of 31 December 2023	958,942	496	959,438

18. INTANGIBLE ASSETS (CONT'D)

The intangible assets of the Group at the end of the reporting period comprises:

(a) A concession right awarded by the Government to a subsidiary, Grand Saga Sdn. Bhd. to upgrade and maintain a section of the existing Federal Route 1 at the Kuala Lumpur-Seremban Road described as the Cheras-Kajang Highway. The ownership of the Highway will be transferred to the Government of Malaysia at the end of the concession period in September 2045.

The concession right is recognised as an intangible asset pursuant to IC Interpretation 12. Under the intangible asset model, it is initially measured at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The intangible assets are amortised over the concession period by applying traffic volume method as disclosed below. The denominator of the formula includes projected total traffic volume for subsequent financial years from 1 January 2016 to 2045 and is based on the initial base case traffic volume projections prepared by independent traffic consultants, which is updated by management annually. The assumptions to arrive at the traffic volume projections take into consideration the management's expectations of the growth rates based on current market and economic conditions. Changes in the expected traffic volume could impact future amortisation charges.

$$\frac{\text{Cumulative traffic volume from 1.1.2016}}{\text{Cumulative traffic volume from 1.1.2016 plus projected traffic volume till end of concession}} \times \text{Opening Net Book Value as of 1.1.2016 plus additions to-date}$$

The carrying amounts of intangible assets are reviewed annually and adjusted for impairment where they are considered necessary. Management is required to exercise significant judgements in estimating the recoverable amount. The recoverable amount is determined based on the estimation of the present value of future cash flows expected to be generated. The disclosure key bases and assumptions used in the estimation of its recoverable amount are similar to the impairment assessment on the goodwill, which have been set out in Note 23 to the financial statements.

b) The cost of constructing a river monitoring system's shelter by a subsidiary, Sungai Harmoni Sdn. Bhd., to fulfil its obligations under the Bulk Water Supply Agreement ("BWSA") with Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor"). The shelter's estimated cost is initially measured at present value of future payments amounting to RM502,000 and amortised over the remaining tenure of the BWSA upon the completion of the shelter. The carrying amounts of intangible assets are reviewed for impairment when there are indicators.

19. INVESTMENT IN SUBSIDIARIES

	The Company	
	2024 RM'000	2023 RM'000
Redeemable preference shares - at FVTOCI		
As of 1 January/31 December	275,812	275,812
Unquoted ordinary shares - at cost:		
As of 1 January/31 December	86,995	86,995
Accumulated impairment loss:		
As of 1 January	34,728	30,818
Addition (Note 8)	-	3,910
As of 31 December	34,728	34,728
Carrying amount	328,079	328,079

(a) Investments in subsidiaries other than redeemable preference shares are stated at cost less impairment losses, if any, in the separate financial statements of the Company.

The investments in preference shares are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors have elected to designate these investments in equity instruments as at fair value through other comprehensive income ("FVTOCI") as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run. The fair value of investments in preference shares is categorised as Level 3 in the fair value hierarchy as disclosed in Note 44 to the financial statements.

(b) The Company and/or its subsidiaries review the investments in subsidiaries measured at cost for impairment when there is an indication of impairment. The recoverable amounts of the investments in subsidiaries are assessed by reference to the value-in-use of the respective subsidiaries. The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to support their income and cash flows. Judgement had also been used to determine the pre-tax discount rate for the cash flows and the future growth rate of the business of the entities.

19. INVESTMENT IN SUBSIDIARIES (CONT'D)

The shares of all subsidiaries are held directly by the Company unless otherwise indicated as follows:

Name	Principal place of business	Proportion of ownership interest held by the Group 2024 %	2023 %	Principal activities
Held directly by the Company:				
Sungai Harmoni Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Management, operations and maintenance of Sungai Selangor Water Treatment Plant Phase 1 for a period expiring in December 2036.
Taliworks Construction Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	General construction.
TEI Sdn. Bhd.	Cheras, Selangor	51	51	Investment holding.
Taliworks Renewables Sdn. Bhd. ("TRSB")	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Investment holding.
Taliworks (Langkawi) Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	The concession for management, operations and maintenance of water treatment plants and water distribution systems has expired on 31 October 2020. Upon expiration of the concession, the operations have been handed over to Syarikat Air Darul Aman Sdn. Bhd., a corporatised body under the state government of Kedah.
Taliworks Technologies Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Provision of project consultancy and technical services and sales of products related to water and waste treatment.
Held through TEI Sdn. Bhd.:				
Trinitywin Sdn. Bhd.	Cheras, Selangor	51	51	Investment holding.
Cerah Sama Sdn. Bhd.	Cheras, Selangor	51	51	Investment holding.
Held through Cerah Sama Sdn. Bhd.:				
Grand Saga Sdn. Bhd. #	Cheras, Selangor	51	51	Design, planning and construction of Cheras-Kajang Highway. The Highway has a concession period expiring in September 2045.
Trupadu Sdn. Bhd. #	Cheras, Selangor	51	51	Toll operator and general contractor of Cheras-Kajang Highway.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

19. INVESTMENT IN SUBSIDIARIES (CONT'D)

The shares of all subsidiaries are held directly by the Company unless otherwise indicated as follows: (Cont'd)

Name	Principal place of business	Proportion of ownership interest held by the Group 2024 %	2023 %	Principal activities
Held through Cerah Sama Sdn. Bhd.: (Cont'd)				
Peak Synergy Sdn. Bhd. #	Cheras, Selangor	51	51	Investment holding. The company is placed under member's voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965 with effect from 4 November 2016.
Europlex Consortium Sdn. Bhd. #	Cheras, Selangor	51	51	Investment holding. The company is placed under member's voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965 with effect from 4 November 2016.
Held through TRSB:				
TR (SG1) Pte. Ltd. £ ("SG1")	Robinson Road, Singapore	100	100	Investment holding.
TR (SG2) Pte. Ltd. £ ("SG2")	Robinson Road, Singapore	100	100	Investment holding.
TR (SG3) Pte. Ltd. £ ("SG3")	Robinson Road, Singapore	100	100	Investment holding.
Taliworks Renewables Operations Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Provision of operation and maintenance services in relation with the business development of solar and other renewable energy projects.
TR Sepang Sdn. Bhd. ¥ (of which 48% is held directly by SG1)	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Business development of solar and other renewable energy projects. Operate a 5.0 MWp ground-mounted solar photovoltaic plant on a Build-Own-Operate project model. The company holds a feed-in approval granted by the SEDA pursuant to Section 7 of the Renewable Energy Act 2011 ("REA") for a period of 21 years expiring on 6 October 2034.

19. INVESTMENT IN SUBSIDIARIES (CONT'D)

The shares of all subsidiaries are held directly by the Company unless otherwise indicated as follows: (Cont'd)

Name	Principal place of business	Proportion of ownership interest held by the Group 2024 %	2023 %	Principal activities
Held through TRSB: (Cont'd)				
TR Saterm Sdn. Bhd. ¥ (of which 48% is held directly by SG2)	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Business development of solar and other renewable energy projects. Operate a 4.0 MWp rooftop-mounted solar photovoltaic plant on a Build-Own-Operate project model. The company holds a feed-in approval granted by the SEDA pursuant to Section 7 of the REA for a period of 21 years expiring on 17 December 2034.
TR Cpark Sdn. Bhd. ¥ (of which 48% is held directly by SG3)	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Business development of solar and other renewable energy projects. Operate two (2) separate 5.0 MWp parking rooftop-mounted solar photovoltaic plant on a Build-Own-Operate project model. The company holds two (2) feed-in approvals granted by the SEDA pursuant to Section 7 of the REA for a period of 21 years expiring on 23 November 2034 and 4 December 2034 respectively.
Taliworks Renewables Singapore Pte. Ltd ("TRSPL") @ £	Balestier Road, Singapore	100	-	Other holding companies.
Held through TRSPL:				
TRS Uno Pte. Ltd. ("TRS Uno") @ £	Balestier Road, Singapore	100	-	Generation of electricity by other sources.
TRS Dos Pte. Ltd. ("TRS Dos") @ £	Balestier Road, Singapore	100	-	Generation of electricity by other sources.
TRS Tres Pte. Ltd. ("TRS Tres") @ £	Balestier Road, Singapore	100	-	Generation of electricity by other sources.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

19. INVESTMENT IN SUBSIDIARIES (CONT'D)

£ The financial statements of these subsidiaries are not audited by the member firms of the auditors of the Company.

The equity interest in these subsidiaries formed part of the security arrangements for the Islamic Medium-Term Notes borrowings as disclosed in Note 36.

¥ The feed-in approval holders, namely TR Sepang Sdn. Bhd., TR Saterm Sdn. Bhd. and TR Cpark Sdn. Bhd. have 21 years renewable energy power purchase agreements ("REPPAs) with offtakers, Tenaga Nasional Berhad and Malaysia Airports (Sepang) Sdn. Bhd., which allows the companies to exclusively sell its power generation to offtakers at the applicable feed-in tariff rate as prescribed under the REA.

@ The Company's wholly-owned subsidiary, TRSB has incorporated four (4) wholly-owned subsidiaries in Singapore, comprising direct and indirect subsidiaries, in accordance with the Companies Act 1967 of the Republic of Singapore.

The details are as follows:

(a) TRSPL was incorporated on 29 July 2024 as a wholly-owned subsidiary of TRSB with an issued share capital of SGD1;

(b) TRS Uno was incorporated on 31 July 2024 as a wholly-owned subsidiary of TRSPL with an issued share capital of SGD1;

(c) TRS Dos was incorporated on 31 July 2024 as a wholly-owned subsidiary of TRSPL with an issued share capital of SGD1; and

(d) TRS Tres was incorporated on 31 July 2024 as a wholly-owned subsidiary of TRSPL with an issued share capital of SGD1.

No statutory audit has been performed for the financial period ended 31 December 2024 for these newly incorporated subsidiaries, as their intended first financial period are from the incorporation date to 31 December 2025.

19. INVESTMENT IN SUBSIDIARIES (CONT'D)

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activities	Place of incorporation and operation	Number of wholly-owned subsidiaries		Number of non-wholly-owned subsidiaries	
		2024	2023	2024	2023
Management, operations and maintenance of water treatment plants and water distribution systems	Malaysia	2	2	-	-
Provision of management and technical services relating to waste management	Malaysia	1	1	-	-
General construction	Malaysia	1	1	-	-
Investment holding	Malaysia	1	1	5	5
Investment holding	Singapore	4	3	-	-
Toll highway	Malaysia	-	-	2	2
Provision of operation and maintenance services in relation with the business development of solar and other renewable energy projects.	Malaysia	1	1	-	-
Business development of solar and other renewable energy projects.	Malaysia	3	3	-	-
Business development of solar and other renewable energy projects.	Singapore	3	-	-	-
		16	12	7	7

Details for non-wholly-owned subsidiary that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiary of the Group that have material non-controlling interests.

Name of subsidiary	Proportion of ownership interests held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interest	
	2024 %	2023 %	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
TEI Sdn. Bhd.	49%	49%	29,397	7,491	293,427	267,950

19. INVESTMENT IN SUBSIDIARIES (CONT'D)

Summarised financial information in respect of the subsidiary that has material non-controlling interests is set out as below. The summarised financial information below represents amounts before intragroup eliminations.

	The Group	
	2024 RM'000	2023 RM'000
Non-current assets	1,081,170	1,109,497
Current assets	70,926	39,688
Current liabilities	(70,472)	(56,578)
Non-current liabilities	(482,794)	(545,771)
Net assets	598,830	546,836
Equity attributable to owners of the Company	305,403	278,886
Non-controlling interest	293,427	267,950
Revenue*	149,541	89,698
Expenses	(89,547)	(74,411)
Profit for the year	59,994	15,287
Profit attributable to owners of the Company	30,597	7,796
Profit attributable to non-controlling interest	29,397	7,491
Net cash generated from/(used in):		
Operating activities	92,504	56,938
Investing activities	(9,896)	2,190
Financing activities	(52,767)	(46,268)
Net change in cash and cash equivalents	29,841	12,860

* Included in the revenue is one-off government compensation for deferment of toll increase amounted to RM55,280,000 (2023: RMNil) and compensation related to toll exemptions in conjunction with the festive holidays of RM1,257,000 (2023: RMNil)

20. INVESTMENT IN JOINT VENTURE

	The Group	
	2024 RM'000	2023 RM'000
Unquoted ordinary shares, at cost	30,749	30,749
Redeemable preference shares, at FVTOCI	36,424	36,424
Group's share of post-acquisition reserve, net of dividend	7,946	4,237
	75,119	71,410

	The Company	
	2024 RM'000	2023 RM'000
Unquoted ordinary shares, at cost	30,749	30,749
Redeemable preference shares, at FVTOCI	36,424	36,424
	67,173	67,173

Investments in joint venture other than redeemable preference shares are stated at cost less impairment losses, if any, in the separate financial statements of the Company and it is accounted for using the equity method of accounting in the consolidated financial statements.

The investments in redeemable preference shares are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run. The fair value of investments in redeemable preference shares is categorised as Level 3 in the fair value hierarchy as disclosed in Note 44 to the financial statements.

Details of the joint venture, which is incorporated in Malaysia, are as follows:

Name	Principal place of business	Proportion of ownership interest held by the Group 2024 %	2023 %	Principal activities
Pinggiran Muhibbah Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	50	50	Investment holding in Grand Sepadu (NK) Sdn. Bhd. which is engaged in the operation and maintenance of the New North Klang Straits Bypass Expressway for a concession period ending in December 2032.

The summarised financial information set out below represents amounts shown in the joint venture's financial statements prepared in accordance with MFRS, adjusted by the Group for equity accounting purposes.

20. INVESTMENT IN JOINT VENTURE (CONT'D)

Pinggiran Muhibbah Sdn. Bhd.	2024 RM'000	2023 RM'000
Summarised statement of financial position		
Non-current assets	233,428	258,937
Current assets	41,986	20,657
Current liabilities	(19,376)	(18,339)
Non-current liabilities	(47,165)	(66,279)
Non-controlling interests	(58,636)	(52,156)
Net assets	150,237	142,820
Summarised statement of profit or loss and other comprehensive income		
Revenue*	94,629	66,063
Profit for the year	25,418	11,004

* Included in the revenue is government compensation for deferment of toll increase amounted to RM38,740,000 (2023: RM13,830,000).

Reconciliation of the above summarised financial information to the carrying amount of the interest in joint ventures recognised in the financial statements of the Group is as follows:

	2024 RM'000	2023 RM'000
Net assets		
Carrying amount of the investment in joint venture	150,237	142,819
Proportion of the Group's ownership interest in the joint venture	50%	50%
	75,119	71,410

21. INVESTMENT IN ASSOCIATES

	The Group	
	2024 RM'000	2023 RM'000
Unquoted ordinary shares, at cost	247,871	247,871
Compensation	(17,087)	(17,087)
Share of post-acquisition reserve, net of dividend	(155,448)	(123,116)
	75,336	107,668

	The Company	
	2024 RM'000	2023 RM'000
Unquoted ordinary shares, at cost	247,871	247,871
Compensation	(17,087)	(17,087)
	230,784	230,784

(a) Investment in associate is stated at cost less accumulated impairment losses, if any, in the separate financial statements of the Company and it is accounted for using the equity method of accounting in the consolidated financial statements.

(b) During the financial year, the Company conducted a review of the recoverable amounts of certain associate and no impairments loss is required due to higher recoverable amounts as compared to carrying amounts based on value-in-use calculations.

Details of the associates, which are incorporated in Malaysia, are as follows:

Name	Principal place of business	Proportion of ownership interest held by the Group 2024 %	2023 %	Principal activities
LGB Taliworks Consortium Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	20	20	General construction.
SWM Environment Holdings Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	35	35	Investment holding with its principal investment in a company managing and carrying on solid waste collection and public cleansing management and other related activities for a concession period until 31 August 2033.
Aqua Flo Sdn. Bhd.	Petaling Jaya, Selangor	24	24	Trading in chemical products.

All the associates are audited by a firm other than Deloitte PLT.

21. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the material associate is set out below. The summarised financial information of the concession business below represents amounts shown in the associate's financial statements prepared in accordance with MFRS, adjusted by the Group for equity accounting purposes.

The Group	2024 RM'000	2023 RM'000
Summarised statements of financial position		
Non-current assets	2,083,177	2,256,928
Current assets	773,453	678,250
Current liabilities	(276,934)	(288,806)
Non-current liabilities	(1,519,667)	(1,488,816)
Non-controlling interest	(836,315)	(841,757)
Net assets	223,714	315,799
Summarised statements of profit or loss and other comprehensive income		
Revenue	1,001,732	977,377
Profit for the year*	159,731	182,335
Less:		
Adjustment relating to interest on dividend on the cumulative preferences shares held by parties other than the Group	(116,996)	(107,708)
Group consolidation adjustments	(134,819)	(138,497)
Loss for the year	(92,084)	(63,870)

* Included in the profit for the year is one-off gain on disposal of Seelong operation amounting to RM13,700,000 (2023: RMNil) of which RM4,795,000 (2023: RMNil) was recognised in the share of results of the associate.

Reconciliation of the above summarised financial information to the carrying amount of the interest in the material associate recognised in the financial statements of the Group is as follows:

	2024 RM'000	2023 RM'000
Net assets	223,714	315,799
Proportion of the Group's ownership interest in the associate	35%	35%
	78,300	110,530
Compensation	(17,087)	(17,087)
Adjustment for stamp duties paid	735	735
Carrying amount of the investment in the associate	61,948	94,178

21. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of other individually immaterial associates is set out below.

The Group	Others	
	2024 RM'000	2023 RM'000
Summarised statements of financial position		
Non-current assets	3,262	3,463
Current assets	107,795	103,869
Current liabilities	(54,542)	(50,412)
Net assets	56,515	56,920
Summarised statements of profit or loss and other comprehensive income		
Revenue	160,078	160,078
Profit for the year	9,595	6,423

22. OTHER INVESTMENT

	The Group	
	2024 RM'000	2023 RM'000
Financial assets carried at FVTPL:		
Golf membership		
As of 1 January/31 December	200	200

There are no measurement impacts to the carrying amount of other investment at the end of the reporting period as the directors are of the opinion that the carrying amounts approximate its fair value.

23. GOODWILL ON CONSOLIDATION

	The Group	
	2024 RM'000	2023 RM'000
As of 1 January/31 December	132,503	132,503

23. GOODWILL ON CONSOLIDATION (CONT'D)

Goodwill on consolidation arose from:

(i) the acquisition of a subsidiary, Cerah Sama Sdn. Bhd. pursuant to a restructuring exercise in 2014 amounting to RM129,385,000 (2023: RM129,385,000).

(ii) acquisition of solar renewable energy business in 2022, consisting of a group of seven (7) entities, as part of its strategic expansion into sustainable energy amounting to RM3,118,000 (2023: RM3,118,000).

Key bases assumptions used in value-in-use calculations

The Group determines whether goodwill on consolidation is impaired on an annual basis. This requires an estimation of the value-in-use of the cash generating unit ("CGU") of the toll highway and solar photovoltaic plants to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering the remaining concession period and renewable energy power purchase agreements ("REPPAs") whichever is applicable.

The key bases and assumptions used in the estimation of the recoverable amount are as follows:

(a) Cerah Sama Sdn. Bhd.

(i) Traffic volume of Toll Plaza Batu 9 and Batu 11 are projected based on the average yearly growth rate of 1.55% and 2.39% (2023: 1.60% and 2.56%) respectively;

(ii) Toll operation costs, routine maintenance costs and other operating expenses are expected to increase at the rate of 3.0% (2023: 3.0%) annually;

(iii) Commissions to be paid to Touch & Go and Smart Tag are estimated at a fixed rate of 1.3% (2023: 1.3%) of total toll revenue collected; and

(iv) Pre-tax discount rate of 10.86% (2023: 10.86%) applied to the cash flow projections is derived from a subsidiary, Grand Saga Sdn. Bhd.'s weighted average cost of capital.

(b) Solar Photovoltaic Plants

(i) Energy outputs are projected based on irradiance of 1,785 (2023:1,785) kWh/m^2/year, performance ratio of 69.0% - 82.5% (2023: 80%) per year and degradation of 0.5% (2023: 0.5%) per year;

(ii) Operation costs and other operating expenses are expected to increase at the rate of 3.0% (2023: 3.0%) annually; and

(iii) Pre-tax discount rate of 9.50% (2023: 9.50%) applied to the cash flow projections is derived from the weighted average cost of capital of several subsidiaries with feed-in approval.

The above key bases and assumptions are determined based on management's expectation of future events and actions to take place in the relevant business segments. Any differences in expectations from the original estimates may result in the variation of the recoverable amounts. The directors are of the opinion that the bases and assumptions used in the estimation of the recoverable amounts are reasonable and do not foresee any possible changes in the above key assumptions that would cause the carrying amounts of the goodwill to materially exceed its recoverable amount.

24. DEFERRED TAX (LIABILITIES)/ASSETS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As of 1 January	(231,297)	(241,911)	3,513	3,961
Transfer from/(to) profit or loss (Note 12):				
Property, plant and equipment	3,359	1,527	-	-
Intangible assets	8,891	6,848	-	-
Trade receivables	309	308	-	-
Other receivables, deposits and prepayments	6	(187)	-	-
Provision for heavy repairs	(456)	3,532	-	-
Other payables and accruals	347	185	-	-
Deferred income	188	950	-	-
Unused business losses	(232)	241	(412)	(448)
Unabsorbed capital allowances	(204)	(2,943)	-	-
Net of right-of-use assets and lease liabilities	75	153	-	-
Investment tax allowances	15,922	-	-	-
	28,205	10,614	(412)	(448)
As of 31 December	(203,092)	(231,297)	3,101	3,513
Presented after appropriate offsetting as follows:				
Deferred tax assets, net	6,588	6,373	3,101	3,513
Deferred tax liabilities, net	(209,680)	(237,670)	-	-
	(203,092)	(231,297)	3,101	3,513

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

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

The movements in deferred tax assets and liabilities during the financial year (prior to offsetting of balances) comprise the following:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets (before offsetting)				
Tax effects of deductible temporary differences arising from:				
Other receivables, deposits and prepayments	1,274	1,268	-	-
Other payables and accruals	1,454	1,107	-	-
Deferred income	1,212	1,024	-	-
Provision for heavy repairs	9,472	9,928	-	-
Net of right-of-use asset and lease liabilities	341	266	-	-
Unused business losses	4,633	4,865	3,101	3,513
Unabsorbed capital allowance	4,881	5,085	-	-
Investment tax allowances	15,922	-	-	-
	39,189	23,543	3,101	3,513
Offsetting	(32,601)	(17,170)	-	-
Deferred tax assets (after offsetting)	6,588	6,373	3,101	3,513
Deferred tax liabilities (before offsetting)				
Tax effects of taxable temporary differences arising from:				
Property, plant and equipment	23,636	26,995	-	-
Intangible assets	217,411	226,302	-	-
Trade receivables	1,230	1,539	-	-
Other receivables, deposits and prepayments	4	4	-	-
	242,281	254,840	-	-
Offsetting	(32,601)	(17,170)	-	-
Deferred tax liabilities (after offsetting)	209,680	237,670	-	-

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

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

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Temporary differences arising from:				
Property, plant and equipment	(1,928)	(7,161)	(688)	(763)
Right-of-use assets	1,450	681	1,122	456
Other payables and accruals	4,614	4,547	1,526	1,676
Unused tax losses				
expires by 31 December 2028	1,831	1,831	-	-
expires by 31 December 2029	16	16	-	-
expires by 31 December 2030	10	10	-	-
expires by 31 December 2032	341	341	-	-
expires by 31 December 2033	89	89	-	-
expires by 31 December 2034	12	-	-	-
Unabsorbed capital allowances	12,036	11,908	11,935	11,807
Investment tax allowance	102,849	181,362	-	-
	121,320	193,624	13,895	13,176

The Group and the Company have assessed the likelihood of sufficient future profits available to recover the amounts of deductible temporary differences. Deferred tax assets have not been recognised in respect of these items as they have arisen in companies that have a recent history of losses or in companies where future taxable profits may be insufficient to trigger the utilisation of these items.

The unused tax losses can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board. The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

Investment tax allowance has no expiry date and is granted under the Promotion of Investments Act, 1986, to promote the development of renewable energy projects in Malaysia. This allowance is available to several subsidiaries with feed-in approval engaged in electricity generation using solar energy, allowing them to offset against taxable statutory income. During the year, management have replaced the solar panels in the solar entities and reassessed the profitability of these solar subsidiaries and are subject to agreement of the respective local tax authorities.

25. TRADE RECEIVABLES

The analysis of trade receivables is as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables	61,612	65,975	10,287	16,245
Less: Loss allowance	(36)	(70)	(36)	(67)
Net	61,576	65,905	10,251	16,178

Total trade receivables are classified as financial assets measured at amortised cost.

The average credit period granted to the customers is 60 days (2023: 60 days). No interest is charged on trade receivables, even for those which are past due.

Of the Group's and the Company's total trade receivables, a gross invoiced amount of RM58,480,000 and RM10,287,000 (2023: RM62,005,000 and RM16,245,000) come from Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor"), the sole entity with the license to extract, treat and distribute water to consumers in Selangor, Federal Territories of Kuala Lumpur and Putrajaya, under the following contracts:

(i) Bulk Water Supply Agreement ("BWSA")

On 24 May 2019, Sungai Harmoni entered into a BWSA with Air Selangor in relation to the appointment of Sungai Harmoni for the operations and maintenance of Sungai Selangor Water Treatment Plant Phase 1 ("SSP1") and the supply of treated water until December 2036. Sungai Harmoni started operating and maintaining the SSP1 under the BWSA from 13 September 2019 onwards, being the date where the agreement become unconditional and completed.

(ii) The two packages under Stage 1 of the Sungai Rasau water supply scheme. The projects are (a) Design and Build of Proposed Rasau Treated Water Pumping Station, Treated Water Pumping Mains to Existing Bukit Lipat Kajang Reservoirs, Distribution and Associated Works (Package 2); and (b) Design and Build of Proposed New Bukit Lipat Kajang Booster Station, Reservoirs and Associated Works (Package 3) (collectively referred to as the "The Rasau Projects").

The Group secured the Rasau Projects in 2021, with initial completion date for 31 December 2024. In the previous financial year, the authorities granted permission to extend the completion dates for Package 2 and Package 3 to 29 November 2025 and 19 December 2025, respectively. A second extension of time ("EOT") application was submitted in the current financial year and is currently under review by Air Selangor.

The amounts represent invoiced value for certified work performed. The amounts were transferred from amount due from/(to) contract customers when the rights became unconditional.

The Group and the Company apply a simplified approach in calculating loss allowances for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The Group and the Company estimate the loss allowance on trade receivables by applying an ECL rate at each reporting date. The ECL rate reflects the historical time value loss rate which is computed based on the actual and projected amounts and timing of repayment from the trade receivables on current year billings and the historical loss rate from past collection records, adjusted by forward-looking information that is available without undue cost or effort. The Group and the Company review the ECL rate at each reporting date to re-measure the loss allowance amount. Changes in the above variables could impact future ECL charges. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

25. TRADE RECEIVABLES (CONT'D)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in MFRS 9:

The Group	Collectively assessed RM'000	Individually assessed RM'000	Total RM'000
As at 1 January 2023	25	-	25
Net re-measurement of loss allowances	45	-	45
As at 31 December 2023/1 January 2024	70	-	70
Net re-measurement of loss allowances	(34)	-	(34)
As at 31 December 2024	36	-	36
The Company			
As at 1 January 2023	24	-	24
Net re-measurement of loss allowances	43	-	43
As at 31 December 2023/1 January 2024	67	-	67
Net re-measurement of loss allowances	(31)	-	(31)
As at 31 December 2024	36	-	36

26. DEPOSITS, CASH AND BANK BALANCES

	The Group	
	2024 RM'000	**2023 RM'000**
Non-Current:		
Deposits with licensed banks	55,403	45,924
Current:		
Deposits with licensed banks	69,073	60,587
Cash and bank balances	30,676	21,891
	99,749	82,478
Total	155,152	128,402
Less: Deposits pledged as security	(55,403)	(45,924)
Cash and cash equivalents	99,749	82,478

26. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

	The Company	
	2024 RM'000	2023 RM'000
Non-Current:		
Deposits with licensed banks	4,542	4,533
Current:		
Cash and bank balances	3,760	20,345
Total	8,302	24,878
Less: Deposits pledged as security	(4,542)	(4,533)
Cash and cash equivalents	3,760	20,345

The currency profile of deposits, cash and bank balances is as follows:

	The Group	
	2024 RM'000	2023 RM'000
Ringgit Malaysia	144,830	128,297
Australian Dollar	77	28
United States Dollar	10,245	77
Total	155,152	128,402

	The Company	
	2024 RM'000	2023 RM'000
Ringgit Malaysia	8,298	24,801
United States Dollar	4	77
Total	8,302	24,878

Deposits, cash and bank balances (excluding deposits pledge as security) are classified as financial assets measured at amortised cost.

Included in long-term deposits with licensed banks of the Group are the following:

(a) amounts totalling RM7,579,000 (2023: RM7,492,000) that are pledged as security for banking facilities to facilitate the issuance of performance guarantees and tender bonds for the bidding of projects, and performance bonds on contracts for the management, operations and maintenance of water treatment plants as disclosed in Note 36; and

(b) an amount of RM47,824,000 (2023: RM38,432,000) set aside under the Financial Service Reserve Account as part of the security arrangements of Islamic Medium-Term Notes as disclosed in Note 36.

26. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

Included in deposits with licensed banks of the Company are long-term deposits amounting to RM4,542,000 (2023: RM4,533,000) that are pledged as security for banking facilities to facilitate issuance of performance guarantees and tender bonds for the bidding of projects and as security for a revolving credit facility as disclosed in Note 36. Included in current deposits with licensed banks are short-term investments amounting to RM69,073,000 (2023: RM60,587,000) which are highly liquid investments that are readily convertible to known amounts of cash and have an insignificant risk of changes in value.

The average interest rates of deposits of the Group and of the Company at the end of the reporting period ranging from 2.00% to 3.50% (2023: 2.00% to 4.81%) per annum and 2.00% to 2.83% (2023: 2.00% to 2.90%) per annum, respectively.

Deposits of the Group and of the Company have an average maturity ranging from 7 days to 365 days (2023: 7 days to 365 days) and from 7 days to 365 days (2023: 7 days to 365 days) respectively. Bank balances are deposits held at call with licensed banks.

No ECL is recognised arising from cash at banks and deposits with licensed banks because the probability of default by these financial institutions is negligible.

27. INVENTORIES

	The Group	
	2024 RM'000	2023 RM'000
Materials on site	64,872	37,447
Consumable spares	1,906	1,576
	66,778	39,023

(a) Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses. All the inventories are expected to be used within the next 12 months and therefore, no provision for impairment losses is recognised during the current and previous financial year.

(b) The costs of materials on site are determined using the first-in first-out method and comprise the original cost of purchase plus the cost of bringing the inventories to their present location and condition. The asset is subsequently capitalised to construction work-in-progress when utilised.

(c) The costs of consumable spares are determined using the weighted average method and comprise the original cost of purchase plus the cost of bringing the inventories to their present location and condition.

(d) The amount of inventories recognised in profit or loss during the financial year is RM18,209,000 (2023: RM16,693,000).

28. AMOUNT DUE (TO)/FROM CONTRACT CUSTOMERS

	The Group	
	2024 RM'000	2023 RM'000
Construction contracts:		
Contract assets:		
Unbilled revenue of construction contracts (a)	244	460
Retention receivables of construction contracts (b)	1,059	1,059
Less: Loss allowance	(252)	(221)
	1,051	1,298
Less:		
Contract liabilities	(50,178)	(37,221)
	(49,127)	(35,923)

	The Company	
	2024 RM'000	2023 RM'000
Construction contracts:		
Contract liabilities	(50,178)	(37,221)

(a) Unbilled revenue included in contract assets represents the Group's and the Company's right to receive consideration for work completed but yet to be billed because the rights are conditional upon the satisfaction by the customers on the construction work completed by the Group and the Company and the work is pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group and the Company issue invoices for certified works performed.

(b) Retention receivables included in contract assets represent the Group's and the Company's right to receive consideration for work performed and yet to be billed because the rights are conditional upon customers' satisfaction with the service quality over a period of time as stipulated in the contracts. The retention period is ranging from 12 months to 24 months and is based on 5% of the contract value and thus has been classified as current.

The amount will be transferred to the trade receivables when the rights become unconditional, which is typically upon issuance of certificate of making good defects by the customer.

Retention receivables are unsecured, interest-free and are expected to be collected as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
1 year to 2 years	1,059	1,059	-	-

28. AMOUNT DUE (TO)/FROM CONTRACT CUSTOMERS (CONT'D)

(c) There is no provision for foreseeable losses recognised during the current and previous financial year.

(d) Significant changes in contract assets during the year are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Contract assets (other than retention sums) at the beginning of the period transferred to trade receivables	216	981	-	-
Retention sums receivables included in contract assets at the beginning of the period transferred to trade receivables	-	2,244	-	-

(e) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to the Rasau Projects' performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Year 2024	-	394,834	-	394,834
Year 2025	376,249	437,273	376,249	437,273
Year 2026*	383,293	-	383,293	-
	759,542	832,107	759,542	832,107

* The Group have submitted the application for the second EOT in the current financial year which is currently under review by Air Selangor. The performance obligations were allocated to year 2026 in consideration of the expected approval by Air Selangor.

(f) The loss allowance is computed based on the time value loss rate from the timing of repayment of amount due from contract customers, adjusted by forward-looking information that is available without undue cost or effort. At each reporting date, the Group and the Company review the ECL rate and re-measure the loss allowance amount.

The following table shows the movements in lifetime ECL that has been recognised for contract assets in accordance with simplified approach set out in MFRS 9.

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As of 1 January	221	534	-	-
Net re-measurement of loss allowances	31	(313)	-	-
As of 31 December	252	221	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

28. AMOUNT DUE (TO)/FROM CONTRACT CUSTOMERS (CONT'D)

(g) Included in amount due from contract customers are the following:

	The Group	
	2024 RM'000	2023 RM'000
Depreciation of property, plant and equipment (Note 14)	677	649
Gain on disposal of property, plant and equipment	-	(3)
Short term lease of site office	88	88

29. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-Current:				
Other receivables	16,977	18,483	-	-
Less: Loss allowance	(5,058)	(5,060)	-	-
	11,919	13,423	-	-
Current:				
Other receivables	3,296	3,462	923	512
Interest receivables	29	483	-	-
GST refundable	49	4,317	-	-
Prepayments	7,397	7,577	501	289
Deposits	2,029	2,751	1,036	1,036
	12,800	18,590	2,460	1,837
Total	24,719	32,013	2,460	1,837

(a) Total other receivables, net of prepayments and GST refundable are classified as financial assets measured at amortised cost.

(b) Included in other receivables is a deferred consideration receivable from Starbright Capital Berhad ("Starbright"), a special purpose bankruptcy remote vehicle. The deferred consideration, which amounted RM33,946,000, resulted from disposal of trade receivables to Starbright by Sungai Harmoni in 2019 under an asset-backed securitisation exercise. The deferred consideration is to be repaid over a 9-year term, subject to the projected cash flows of Starbright.

As at 31 December 2024, the outstanding deferred consideration of the Group is RM18,480,000 (2023: RM20,621,000). The Group expects that RM1,503,000 (2023: RM2,138,000) will be collected in the next 12 months and thus has been classified as current assets. The remaining outstanding balance of RM16,977,000 (2023: RM18,483,000) has been classified as long-term other receivables and it is expected to be collected in the year 2026 to 2028 (2023: year 2025 to 2028).

29. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As of 1 January	5,060	5,519	-	-
Net re-measurement of loss allowances (Note 7)	(2)	(459)	-	-
As of 31 December	5,058	5,060	-	-

During the year, the Group remeasured the loss allowance for other receivables at an amount equal to the lifetime ECL amounting to reversal of loss allowance of RM2,000 (2023: RM459,000) on the deferred consideration due from Starbright as disclosed in Note 7. The loss allowance is computed based on the time value loss rate from the timing of repayment of deferred consideration, adjusted by forward-looking information that is available without undue cost or effort. At each reporting date, the Group reviews the ECL rate and re-measures the loss allowance amount.

30. AMOUNT DUE FROM SUBSIDIARIES

	The Company	
	2024 RM'000	2023 RM'000
Non-Current:		
Amount due from subsidiaries	90,914	115,898
Current:		
Amount due from subsidiaries	64,062	42,528
	154,976	158,426

Amounts due from subsidiaries are classified as financial assets measured at amortised cost.

Included in the amount due from subsidiaries are as follows:

(a) In 2022, the Company provided a shareholder's loan amounting RM138,800,000 at 5.4% interest to TRSB. The outstanding loan included in the amount due from subsidiaries as of the end of the reporting period is RM100,815,000 (2023: RM124,226,000) of which RM9,901,000 (2023: RM8,328,000) is expected to be collected in the next 12 months and thus has been classified as current. The remaining balance of RM90,914,000 (2023: RM115,898,000) has been classified as long-term amount due from subsidiaries and it is expected to be collected between year 2026 to 2034 (2023: 2025 to 2034).

(b) Trade transactions that are interest free, unsecured and repayable on demand. This amount is classified as current.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

31. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

Investments designated at FVTPL comprise investments in quoted unit trusts in money market securities instruments that are not held for trading. The fair value of these investments are categorised as Level 2 in the fair value hierarchy as disclosed in Note 44 to the financial statements.

The movements in the investments designated at FVTPL during the financial year is as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As of 1 January	50,846	120,740	271	26,611
Additions	57,992	35,124	1,027	500
Disposals	(74,553)	(105,357)	-	(27,024)
Fair value changes recognised in profit or loss (Notes 7 and 8)	(64)	339	2	184
As of 31 December	34,221	50,846	1,300	271

32. SHARE CAPITAL

	The Group and The Company			
	2024		2023	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid:				
As of 1 January/31 December	2,015,817	438,354	2,015,817	438,354

33. MERGER DEFICIT

	The Group	
	2024 RM'000	2023 RM'000
Merger deficit	71,500	71,500

33. MERGER DEFICIT (CONT'D)

The merger deficit is derived from the following:

	Nominal Value of Shares Issued RM'000	Nominal Value of Shares Acquired RM'000	Merger Deficit RM'000
Subsidiaries acquired in the financial year ended 31 December 2000:			
Sungai Harmoni Sdn. Bhd.	47,000	(5,000)	42,000
Taliworks (Langkawi) Sdn. Bhd.	32,500	(3,000)	29,500
	79,500	(8,000)	71,500

34. CURRENCY TRANSLATION RESERVE

	The Group	
	2024 RM'000	2023 RM'000
Non-distributable:		
Currency translation reserve	107	(615)

Currency translation reserve represents exchange differences arising from the translation of foreign controlled subsidiaries.

35. RETAINED EARNINGS

The Company is currently under the single-tier income tax system.

The entire retained earnings of the Company as of the end of the reporting period are available for distribution as single-tier dividends under the single-tier income tax system. Under this system, tax on a company's profit is a final tax and dividends distributed to shareholders will be exempted from tax.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

36. BORROWINGS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-Current:				
Islamic Medium-Term Note ("IMTN") (a)	229,473	269,215	-	-
Current:				
Islamic Medium-Term Note ("IMTN") (a)	40,000	30,000	-	-
Revolving credit (b)	-	5,000	-	5,000
Corporate credit card	4,358	-	-	-
	44,358	35,000	-	5,000
Total	273,831	304,215	-	5,000

Borrowings are classified as financial liabilities and measured at amortised cost.

The Group and the Company have a total of RM934,121,000 and RM115,121,000 (2023: RM934,121,000 and RM115,121,000) of credit facilities, respectively comprising revolving credit and other trade financing facilities granted by financial institutions and RM750,000,000 in nominal value IMTN programme.

The Group and the Company have access to financing facilities of which RM573,113,000 and RM54,824,000 (2023: RM541,211,000 and RM38,715,000) were unused at the reporting date. The Group and the Company expect to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Facilities of the Group amounting to RM836,121,000 (2023: RM836,121,000) are secured by way of either proceeds deposited into designated bank accounts and fixed deposits.

Facilities of the Company amounting to RM67,121,000 (2023: RM76,406,000) are secured by way of proceeds deposited into designated bank accounts and fixed deposits.

In the event of default in any of the subsidiaries' borrowings, there is no recourse against the Company.

(a) IMTN

	The Group	
	2024 RM'000	2023 RM'000
As of 1 January	299,215	328,907
Redeemed	(30,000)	(30,000)
Interest imputed in borrowing (Note 8)	258	308
As of 31 December	269,473	299,215

36. BORROWINGS (CONT'D)

(a) IMTN (Cont'd)

The non-current portion is repayable as follows:

	The Group	
	2024 RM'000	2023 RM'000
Between 1 to 2 years	39,945	39,796
Between 2 to 5 years	189,528	179,595
Over 5 years	-	49,824
As of 31 December	229,473	269,215

The Ringgit Malaysia denominated IMTN was issued by a subsidiary, Cerah Sama Sdn. Bhd. under the Islamic principle of Musyarakah. Profits shall be paid on a semi-annual basis, and the IMTNs are secured by the following:

(i) deposits with licensed banks, set aside under the subsidiary's Financial Service Reserve Account as disclosed in Note 26;

(ii) the subsidiary's equity interest in ordinary shares of all of its subsidiaries as disclosed in Note 19; and

(iii) the subsidiary's revenue and income including but not limited to any dividends and distributions, whether income or capital in nature, from its group of companies.

The IMTN bears profit at fixed rates ranging from 4.93% to 5.39% (2023: 4.87% to 5.39%) per annum. The weighted average profit rate that was effective as of the end of the reporting period is 5.2% (2023: 5.1%). The revolving credit in previous year is unsecured and subject to fixed rate of 5.13% per annum. Corporate credit card is unsecured and subject to fixed rate of 15% to 18% per annum.

The RM420 million in nominal value IMTN is repayable over 11 annual instalments commencing 2020. During the year, the fifth tranche of the IMTN amounting to RM30,000,000 in nominal value was redeemed in full at maturity on 31 January 2024. The repayment terms of the remaining IMTN tranches are as follows:

(i) a nominal value of RM120,000,000 in which each RM40,000,000 is repayable annually from 2025 to 2027; and

(ii) a nominal value of RM150,000,000 in which each RM50,000,000 is repayable annually from 2028 to 2030.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

36. BORROWINGS (CONT'D)

(b) Revolving credit

	The Group and the Company	
	2024 RM'000	2023 RM'000
As of 1 January	5,000	-
Addition	-	5,000
Repayment	(5,000)	-
As of 31 December	-	5,000

(c) Corporate Credit Card

	The Group	
	2024 RM'000	2023 RM'000
As of 1 January	-	-
Addition	4,358	-
As of 31 December	4,358	-

Corporate credit card represents credit card facilities issued by a financial institution, with a credit period of 20 days from the date of issuance of the credit card statement.

36. BORROWINGS (CONT'D)

Reconciliation of liabilities arising from financing activities

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

	Lease liabilities		IMTN		Revolving Credit		Corporate Credit card	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
As of 1 January 2023	36,129	26,052	328,907	-	-	-	-	-
Cash flows (Note 37)	(4,672)	(3,520)	(30,000)	-	5,000	5,000	-	-
Non-cash flows:								
- Addition	120	-	-	-	-	-	-	-
- Unwinding of interest	1,914	1,368	308	-	-	-	-	-
As of 31 December 2023/1 January 2024	33,491	23,900	299,215	-	5,000	5,000	-	-
Cash flows (Note 37)	(4,712)	(3,520)	(30,000)	-	(5,000)	(5,000)	4,358	-
Non-cash flows:								
- Unwinding of interest	1,769	1,255	258	-	-	-	-	-
As of 31 December 2024	30,548	21,635	269,473	-	-	-	4,358	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

37. LEASE LIABILITIES

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-Current:				
Lease liabilities	27,395	30,548	19,251	21,635
Current:				
Lease liabilities	3,153	2,943	2,384	2,265
Total	30,548	33,491	21,635	23,900

(a) The lease liabilities are classified as financial liabilities and measured at amortised cost.

(b) The lease liabilities are denominated in Ringgit Malaysia and comprises land leases and office premises lease as disclosed in Note 15, and obligations under finance leases for motor vehicles.

(c) The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date.

After initial recognition, lease liabilities are measured by increasing the carrying amounts to reflect interest on the lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The corresponding right-of-use assets of the lease liabilities are presented as property, plant and equipment and right-of-use assets as disclosed in Note 14 and 15 to the financial statements respectively.

The Group does not face a significant liquidity risk with regard to its lease liabilities.

(d) The Group's obligations under finance lease bear effective interest rate ranging from 2.50% to 2.76% (2023: 2.50% to 2.76%) per annum. The lease payments relating to other lease liabilities are discounted using the Group's and the Company's incremental borrowing rates of 5.25% to 5.40% (2023: 5.25% to 5.40%) and 5.25% (2023: 5.25%) respectively.

37. LEASE LIABILITIES (CONT'D)

Cash outflows for leases as a lessee are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Included in the net cash from operating activities:				
Payment relating to short-term leases	101	128	54	55
Included in the net cash from financing activities:				
Payment of lease liabilities	2,943	2,758	2,265	2,152
Interest paid in relation to lease liabilities	1,769	1,914	1,255	1,368
Total cash outflows for leases (Note 36)	4,712	4,672	3,520	3,520

The maturity analysis of the future lease payments at the reporting date are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Maturity analysis:				
Year 1	3,153	2,943	2,384	2,265
Year 2	3,525	3,153	2,714	2,384
Year 3	3,734	3,525	2,856	2,714
Year 4	3,882	3,734	3,007	2,856
Year 5 onwards	16,254	20,136	10,674	13,681
Present value	30,548	33,491	21,635	23,900

38. TRADE PAYABLES

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-Current:				
Trade payables (b)	300	396	-	-
Retention sums (a)	1,932	1,320	-	-
Less: Interest income imputed on retention sum	(106)	(87)	-	-
Net	2,126	1,629	-	-
Current:				
Trade payables (b)	30,736	26,090	277	5
Retention sums (a)	2,439	1,943	791	714
Net	33,175	28,033	1,068	719
Total	35,301	29,662	1,068	719

Trade payables and retention sums are classified as financial liabilities and measured at amortised cost.

(a) At the end of the financial year, the Group has a retention sum owing to contractors amounting to approximately RM4,371,000 (2023: RM3,263,000). The Group anticipated that RM2,439,000 (2023: RM1,943,000) will be repaid in the next 12 months and thus has been classified as current. The remaining outstanding balance of RM1,932,000 (2023: RM1,320,000) has been classified as long-term payables, and it is expected to be released to contractors in year 2025 to 2027 (2023: 2025 to 2026).

The directors consider that the carrying amount of trade payables approximate to their fair values.

The movement in interest income imputed in retention sum during the financial year is as follows:

	The Group	
	2024 RM'000	2023 RM'000
Non-Current:		
As of 1 January	87	70
Addition (Notes 7)	19	17
As of 31 December	106	87

(b) Included in trade payables of the Group are a present value of the future payments for the river monitoring system's shelter as disclosed in Note 18. The amount will increase to reflect the imputed interest; and will decrease when future payments is made to contractor. As of the end of the financial year, the total imputed interest recognised to profit or loss is RM23,000 (2023: RM4,000) as disclosed in Note 9 to the financial statements.

38. TRADE PAYABLES (CONT'D)

Included in the trade payables of the Group are also the following:

		The Group	
		2024 RM'000	2023 RM'000
(i)	an amount owing to a company in which a director and indirect common major shareholders have an interest	3,469	1,749
(ii)	an amount owing to a company in which indirect common major shareholders have an interest	-	874
(iii)	an amount owing to an associate	6,007	4,451

The above amounts owing mainly arose from trade transactions which are unsecured, interest-free and repayable on demand.

The average credit period of trade payables is 30 days (2023: 30 days). No interest is charged by the trade payables for balances which are past due.

39. PROVISIONS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Provision for heavy repairs (a)	28,802	30,475	-	-
Provision for restoration costs (b)	809	817	809	809
Provision for asset retirement obligation (c)	9,061	8,461	-	-
	38,672	39,753	809	809
Current	-	8	-	-
Non-current	38,672	39,745	809	809
	38,672	39,753	809	809

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

39. PROVISIONS (CONT'D)

The Group	Provision for heavy repairs RM'000	Provision for restoration costs RM'000	Provision for asset retirement obligations RM'000	Total RM'000
As of 1 January 2023	25,544	902	7,900	34,346
Provision for the year	4,931	-	561	5,492
Utilisation for the year	-	(85)	-	(85)
As of 31 December 2023/1 January 2024	30,475	817	8,461	39,753
Provision for the year	-	-	600	600
Utilisation for the year	(1,673)	(8)	-	(1,681)
As of 31 December 2024	28,802	809	9,061	38,672

The Company	Provision for restoration costs RM'000
As of 1 January 2023/31 December 2023/1 January 2024/31 December 2024	809

(a) Provision of heavy repairs of the Group represents management's best estimate of Grand Saga Sdn. Bhd., a subsidiary's obligation to perform heavy repairs for the concession of Cheras-Kajang Highway.

The heavy repairs of highway are provided based on annual independent pavement assessment condition that estimates the future requirements for pavement resurfacing, and it requires management to exercise significant judgement in estimating the incidental costs and the discount rate used to derive at present value. Changes to the expected level of usage and technological developments could impact future requirements for heavy repairs, and therefore, the provision could be revised.

(b) For the current financial year-end, the Group's figures represent the Company's obligation to restore leased office premises. In the previous year, the Group's figures also included the Company's obligation to restore leased office premises and liabilities associated with restoring concession assets under the TLSB contract.

(c) Provision for asset retirement obligations represents management's best estimate of the feed-in approval holders' obligation to restore the leased land, include amongst others, disassembling costs of the solar photovoltaic modules as stipulated under the land lease agreement.

Management is required to exercise significant judgements in estimating the future cost to restore the leased land, include amongst others, disassembling costs of the solar photovoltaic modules as stipulated under the land lease agreement and the discount rate used to derive at present value. Changes to the future disassembling costs and technological developments could impact future requirements for asset retirement obligations, and therefore, the provision could be revised.

40. DEFERRED INCOME

	The Group	
	2024 RM'000	2023 RM'000
Rental and maintenance fee: (a)		
As of 1 January	4,730	1,618
Addition	1,185	3,440
Recognised in profit or loss (Note 7)	(624)	(328)
As of 31 December	5,291	4,730
Government compensation: (b)		
As of 1 January	61,660	76,049
Recognised in profit or loss (Note 5)	(13,989)	(14,389)
As of 31 December	47,671	61,660
Current	13,480	13,989
Non-current	39,482	52,401
Total deferred income	52,962	66,390

Deferred income comprises the following:

(a) Fees received by a subsidiary, Grand Saga Sdn. Bhd., from third parties for the use of ancillary facilities along the Cheras-Kajang Highway, which is recognised in profit or loss on a straight-line basis over the concession period; and

(b) Government compensation received by a subsidiary, Grand Saga Sdn. Bhd., as a result of changes made to the terms and conditions of the concession agreement in respect of the Cheras-Kajang Highway. Government compensation is initially recognised in the statements of financial position at the fair value of consideration received. Government compensation is subsequently recognised to profit or loss on a systematic basis over the concession period in which it was intended to compensate.

41. OTHER PAYABLES AND ACCRUALS

	The Group	
	2024 RM'000	2023 RM'000
Other payables and accruals	23,659	27,856
Interest payables	5,849	6,478
	29,508	34,334

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

41. OTHER PAYABLES AND ACCRUALS (CONT'D)

	The Company	
	2024 RM'000	2023 RM'000
Other payables and accruals	12,219	17,067

Other payables and accruals are classified as financial liabilities and measured at amortised cost.

Included in other payables and accruals of the Group and of the Company are the following:

	The Group	
	2024 RM'000	2023 RM'000
An amount owing to a company in which a director and indirect common major shareholders have an interest	49	92
An amount owing to a company in which common major shareholders have an interest	110	-

	The Company	
	2024 RM'000	2023 RM'000
An amount owing to a company in which common major shareholders have an interest	6	6

The above amounts owing mainly arose from non-trade transactions which are unsecured, interest free and repayable on demand.

42. DIVIDENDS

Dividends declared and paid/payable in respect of the financial year are as follows:

	The Group and The Company	
	Gross dividend per share Sen	Amount of dividend, net of tax RM'000
2024		
Dividends paid:		
In respect of the financial year ended 31 December 2023:		
Fourth interim single-tier dividend paid on 29 March 2024	1.0	20,158
In respect of the financial year ended 31 December 2024:		
First interim single-tier dividend paid on 28 June 2024	1.0	20,158
Second interim single-tier dividend paid on 27 September 2024	1.0	20,158
Third interim single-tier dividend paid on 23 December 2024	2.0	40,316
		100,790

On 27 February 2025, the directors declared a fourth interim single-tier dividend of 0.5 sen per share amounting to approximately RM10,079,088 in respect of the current financial year, to be paid on 28 March 2025. This dividend has not been included as a liability in the statements of financial position as of 31 December 2024. The dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2025.

The directors do not recommend any final dividend in respect of the current financial year.

	The Group and The Company	
	Gross dividend per share Sen	Amount of dividend, net of tax RM'000
2023		
Dividends paid:		
In respect of the financial year ended 31 December 2022:		
Fourth interim single-tier dividend paid on 31 March 2023	1.65	33,261
In respect of the financial year ended 31 December 2023:		
First interim single-tier dividend paid on 30 June 2023	1.65	33,261
Second interim single-tier dividend paid on 29 September 2023	1.65	33,261
Third interim single-tier dividend paid on 22 December 2023	1.65	33,261
		133,044

43. FINANCIAL INSTRUMENTS

Capital Risk Management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, institute share-buy-backs or increase the level of debt.

Consistent with others in the industry, the Group and the Company monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statements of financial position) less deposits, cash and bank balances and investments designated at FVTPL. Total capital is the "total equity" as shown in the statements of financial position.

The Group's and the Company's strategy, which was unchanged from the previous year, is to maintain the gearing ratio of less than 100%.

The gearing ratios at the end of each reporting period are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total borrowings (Note 36)	273,831	304,215	-	5,000
Less: Deposits, cash and bank balances (Note 26)	(155,152)	(128,402)	(8,302)	(24,878)
Less: Investments designated at FVTPL (Note 31)	(34,221)	(50,846)	(1,300)	(271)
Net debt	84,458	124,967	N/A	N/A
Total capital	962,408	963,862	742,088	771,019
Net gearing ratio (%)	8.8	13.0	N/A	N/A

43. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments

	The Group	
	2024 RM'000	2023 RM'000
Financial assets		
Financial assets at amortised cost:		
Trade receivables	61,576	65,905
Other receivables and deposits (Note 29)	17,273	20,119
Deposits, cash and bank balances	155,152	128,402
Financial assets at FVTPL:		
Investment designated at FVTPL	34,221	50,846
Other investment	200	200
Financial assets at FVTOCI:		
Investment in redeemable preference shares of a joint venture (Note 20)	36,424	36,424
Financial liabilities		
Financial liabilities at amortised cost:		
Trade payables	35,301	29,662
Other payables and accruals	29,508	34,334
Borrowings	273,831	304,215
Lease liabilities	30,548	33,491

	The Company	
	2024 RM'000	2023 RM'000
Financial assets		
Financial assets at amortised cost:		
Trade receivables	10,251	16,178
Other receivables and deposits (Note 29)	2,030	1,548
Amount due from subsidiaries (Note 30)	154,976	158,426
Deposits, cash and bank balances	8,302	24,878
Financial assets at FVTPL:		
Investment designated at FVTPL	1,300	271
Financial assets at FVTOCI:		
Investment in redeemable preference shares of a subsidiary (Note 19)	275,812	275,812
Investment in redeemable preference shares of a joint venture (Note 20)	36,424	36,424

43. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (Cont'd)

	The Company	
	2024 RM'000	2023 RM'000
Financial liabilities		
Financial liabilities at amortised cost:		
Trade payables	1,068	719
Other payables and accruals	12,219	17,067
Lease liabilities	21,635	23,900

Financial Risk Management Objectives

The Group's and the Company's activities in the normal course of business expose it to a variety of financial risks, including foreign currency, interest rate, credit and liquidity risks. The Group's and the Company's overall financial risk management objective is to minimise potential adverse effects of these risks on the financial performance of the Group and of the Company. Financial risk management is carried out through risk reviews, internal control systems and adherence to prudent financial risk management policies.

The Group and the Company do not use derivative financial instruments as the nature and size of its financial assets and liabilities do not warrant the use of such instruments at present. It does not trade in financial instruments.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group are not exposed to significant foreign currency risk as there are minimal transactions undertaken denominated in currencies other than the functional currencies of the entities.

Sensitivity analysis for foreign currency risk

The Group is mainly exposed to the foreign currency risk of US Dollar and Singapore Dollar.

5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes all monetary assets/liabilities denominated in foreign currency and adjusts their translation at year end for a 5% change in foreign currency rates. If US Dollar strengthens/weakens against RM by 5%, with all other variables held constant, the impact to the Group's pre-tax profit for the financial year would have been RM513,000 (2023: RM456,000) higher/lower.

In the Director's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

43. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives (Cont'd)

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate due to changes in market interest rates. Interest rate exposure primarily arises from the Group's and the Company's deposits and borrowings. Borrowings obtained at fixed rates expose the Group and the Company to fair value interest rate risk. The Group and the Company closely monitor the interest rate trend on an ongoing basis. Decisions in respect of fixed or floating rate debt structure and tenure of borrowings and deposits are made based on the expected trend of interest rate movements.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's and the Company's pre-tax profit for the financial year would have been RM1,494,000 and RM45,000 (2023: RM1,977,000 and RM85,000) higher/lower respectively, arising mainly as a result of lower/higher finance costs on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

The above sensitivity analysis excludes finance lease liabilities as their interest rates are fixed at the inception of the financing arrangement.

Credit Risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises when services or sales are made on deferred credit terms. The credit risk of the Group and the Company is concentrated in a few customers. The Group and the Company consider the risk of material loss in the event of non-performance by the financial counter-party or customer to be unlikely beyond amounts allowed for collection losses in the Group's and the Company's receivables. Further disclosure is made in Note 25.

Maximum exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of their trade and other receivables as disclosed in the statements of financial position, in the event that all their customers fail to perform their obligations at the end of the reporting period.

Investments designated at FVTPL comprise investment in liquid securities primarily in quoted unit trusts in money market securities instruments managed by companies that are authorised to issue or offer for purchase of units of a Unit Trust Scheme as defined under the Capital Markets and Services Act, 2007 of Malaysia. The carrying amount of investments designated at FVTPL disclosed in Note 31 best represents their maximum exposure to credit risk.

The Group and the Company do not hold any collateral or credit enhancements to cover its credit risk associated with its receivables.

As disclosed in Note 25, the concentration of credit risk is in the one single largest customer. Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

43. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives (Cont'd)

Maximum exposure to credit risk (Cont'd)

The credit quality of deposits, cash and bank balances assessed by reference to external credit ratings or to historical information about counterparty default rates is as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits, cash and bank balances (Note 26):				
External credit rating (as rated by a rating agency in Malaysia):				
AAA	91,503	122,637	7,817	19,964
AA1	8	21	-	-
AA2	55,237	219	476	4,905
AA3	8,207	4,920	-	-
Without external credit rating	197	605	9	9
	155,152	128,402	8,302	24,878

Liquidity Risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. Liquidity risk is managed by maintaining an adequate level of cash reserves and committed credit facilities, and close monitoring of working capital requirements. The Group and the Company seek to maintain flexibility in funding by keeping committed credit lines available. If required, the Group and the Company will raise additional funds through external borrowings or from the capital markets.

In circumstances where current liabilities exceed current assets and there is a deficit in shareholders' funds, the Company may undertake to provide financial support to its subsidiaries to enable the subsidiaries to meet their liabilities as and when they fall due.

43. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives (Cont'd)

Liquidity Risk (Cont'd)

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the undiscounted contractual cash flows.

	Weighted average effective interest rate %	Less than 1 year RM'000	Between 1 to 2 years RM'000	Between 2 to 5 years RM'000	Over 5 years RM'000	Total RM'000
The Group						
2024						
Non-interest bearing:						
Trade payables		33,037	-	-	-	33,037
Other payables and accruals		29,508	-	-	-	29,508
Interest bearing:						
Trade payables	4.50	114	1,993	263	-	2,370
Borrowings	5.17	53,014	51,017	159,695	51,359	315,085
Lease liabilities	4.24 to 7.24	4,766	4,971	15,100	13,190	38,027
		120,439	57,981	175,058	64,549	418,027
2023						
Non-interest bearing:						
Trade payables		27,942	-	-	-	27,942
Other payables and accruals		34,334	-	-	-	34,334
Interest bearing:						
Trade payables	4.50	91	676	1,040	-	1,807
Borrowings	5.12	44,767	53,014	156,678	105,392	359,851
Lease liabilities	4.24 to 7.24	4,712	4,766	14,912	18,347	42,737
		111,846	58,456	172,630	123,739	466,671

43. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives (Cont'd)

Liquidity Risk (Cont'd)

	Weighted average effective interest rate %	Less than 1 year RM'000	Between 1 to 2 years RM'000	Between 2 to 5 years RM'000	Over 5 years RM'000	Total RM'000
The Company						
2024						
Non-interest bearing:						
Trade payables		1,068	-	-	-	1,068
Other payables and accruals		12,219	-	-	-	12,219
Interest bearing:						
Lease liabilities	5.25	3,520	3,725	11,388	7,876	26,509
		16,807	3,725	11,388	7,876	39,796
2023						
Non-interest bearing:						
Trade payables		719	-	-	-	719
Other payables and accruals		17,067	-	-	-	17,067
Interest bearing:						
Lease liabilities	5.25	3,520	3,520	11,174	11,814	30,028
		21,306	3,520	11,174	11,814	47,814

At the end of the reporting period, no events have arisen which may cause the Financial Guarantees amounting to RM92,647,000 (2023: RM87,910,000) provided by the Group and the Company to be called upon or claimed by any counterparty pursuant to the relevant contracts entered by the Group or the Company. Consequently, no amount is included.

44. FAIR VALUE MEASUREMENT

This note provides information about how the Group and the Company determine fair values of various financial assets and liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) **Financial assets that are measured at fair value**

The table below analyses the financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
2024				
Financial assets at FVTPL:				
Other investment	-	-	200	200
Investment designated at FVTPL	-	34,221	-	34,221
Financial assets at FVTOCI:				
Investment in redeemable preference shares of a joint venture	-	-	36,424	36,424
2023				
Financial assets at FVTPL:				
Other investment	-	-	200	200
Investment designated at FVTPL	-	50,846	-	50,846
Financial assets at FVTOCI:				
Investment in redeemable preference shares of a joint venture	-	-	36,424	36,424

44. FAIR VALUE MEASUREMENT (CONT'D)

(a) Financial assets that are measured at fair value (Cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Company				
2024				
Financial assets at FVTPL:				
Investment designated at FVTPL	-	1,300	-	1,300
Financial assets at FVTOCI:				
Investment in redeemable preference shares of a subsidiary	-	-	275,812	275,812
Investment in redeemable preference shares of a joint venture	-	-	36,424	36,424
2023				
Financial assets at FVTPL:				
Investment designated at FVTPL	-	271	-	271
Financial assets at FVTOCI:				
Investment in redeemable preference shares of a subsidiary	-	-	275,812	275,812
Investment in redeemable preference shares of a joint venture	-	-	36,424	36,424

There was no transfer between Levels 1, 2 and 3 during the year.

For investment in unquoted unit trusts in general, fair values have been estimated by reference to quotes published by unit trust companies.

For investment in redeemable preference shares of a subsidiary and a joint venture, fair values have been estimated by discounting the projected cash flows of dividends to be distributed by the subsidiary and joint venture up to the expiry date of the concession agreements at cost of equity of the respective subsidiary and joint venture. There are no measurement impacts to the carrying amount of investment in preference shares at the end of the reporting period as the directors are of the opinion that the carrying amounts approximate its fair value.

For other investment, the fair value is based on market comparison technique.

44. FAIR VALUE MEASUREMENT (CONT'D)

(b) **Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
2024				
IMTN	-	283,733	-	283,733
2023				
IMTN	-	316,273	-	316,273

The fair value of IMTN was determined from future cash flows discounted using current market profit rates available for similar financial instruments of 3.76% to 4.23% (2023: 3.86% to 4.29%).

45. SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions described below were carried out on an arm's length basis and on normal commercial terms not more favourable to the related parties than those generally available to the non-related parties.

Terms offered by the related parties are fair and reasonable and in the commercial interests of the Company and comparable with those offered by the non-related parties.

The related parties and the relationship with the Company are as follows:

Related party	Relationship
Alam Ria Sdn. Bhd.	Common director and indirect common major shareholders
Perangsang Water Management Sdn. Bhd.	Common director and indirect common major shareholders
Exitra Sdn. Bhd.	Common director and indirect common major shareholders
Exitra Solutions Sdn. Bhd.	Common indirect common major shareholders
GSL Realty Sdn. Bhd.	Common director and indirect common major shareholders
Sungai Harmoni Sdn. Bhd.	Subsidiary
Taliworks (Langkawi) Sdn. Bhd.	Subsidiary
Taliworks Construction Sdn. Bhd.	Subsidiary
Grand Saga Sdn. Bhd.	Subsidiary
TEI Sdn. Bhd.	Subsidiary
Taliworks Renewables Sdn. Bhd.	Subsidiary
Grand Sepadu (NK) Sdn. Bhd.	Subsidiary of joint venture
Aqua-Flo Sdn. Bhd.	Associate
SWM Environment Holdings Sdn. Bhd.	Associate
LGB Taliworks Consortium Sdn. Bhd.	Associate

45. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

In addition to related party disclosures disclosed elsewhere in the financial statements, set out below are other significant related party transactions:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Purchase of water treatment chemicals and related equipment or systems from and design, supply, install, testing and commissioning of equipment for water treatment plant from:				
Aqua-Flo Sdn. Bhd.	18,768	17,020	-	-
Contractual payments in respect of technical support and management services to:				
Alam Ria Sdn. Bhd. (a)	7,680	7,020	-	-
Perangsang Water Management Sdn. Bhd. (a)	3,840	3,510	-	-
Purchase of hardware and software and service rendered in relation to information technology services and maintenance fee paid to:				
Exitra Sdn. Bhd. (a)	723	773	215	247
Exitra Solutions Sdn. Bhd.	137	155	91	107
Rental of office premises paid to:				
GSL Realty Sdn. Bhd. (a)	3,520	3,520	3,520	3,520
Progress billings:				
LGB Taliworks Consortium Sdn. Bhd.	-	3,264	-	-
Interest income on intercompany loan from Taliworks Renewables Sdn. Bhd.	-	-	6,500	6,988
Income from subleasing right-of-use assets:				
Sungai Harmoni Sdn. Bhd.	-	-	313	313
Taliworks Construction Sdn. Bhd.	-	-	423	423
Management fee from:				
Subsidiaries:				
Sungai Harmoni Sdn. Bhd.	-	-	2,588	2,588
Taliworks Construction Sdn. Bhd.	-	-	1,370	1,370
Grand Saga Sdn. Bhd.	-	-	1,943	1,943
Taliworks Renewables Operation Sdn. Bhd.	-	-	1,794	1,794
Joint venture:				
Grand Sepadu (NK) Sdn. Bhd.	1,101	1,101	1,101	1,101
Associates:				
SWM Environment Sdn. Bhd. (a)	1,521	1,521	1,521	1,521
Edaran SWM Sdn. Bhd.	1,710	1,710	1,710	1,710
Total (Note 5)	4,332	4,332	12,027	12,027

45. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

In addition to related party disclosures disclosed elsewhere in the financial statements, set out below are other significant related party transactions: (Cont'd)

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Dividend income from:				
Subsidiaries:				
Taliworks (Langkawi) Sdn. Bhd.	-	-	-	3,990
Sungai Harmoni Sdn. Bhd.	-	-	55,000	84,000
TEI Sdn. Bhd.	-	-	4,080	-
Joint venture:				
Pinggiran Muhibbah Sdn. Bhd.	-	-	9,000	7,875
Associates:				
Aqua Flo Sdn. Bhd.	-	-	2,400	864
Total (Note 5)	-	-	70,480	96,729

(a) The contractual payments relating to the operations and maintenance of water treatment plants are based on fee rates stated in the respective agreements entered into by Alam Ria Sdn. Bhd. and Perangsang Water Management Sdn. Bhd. with Sungai Harmoni. The contractual agreement in respect of technical support and management services between Sungai Harmoni and Alam Ria Sdn. Bhd. and Perangsang Water Management Sdn. Bhd. was entered into in 2000.

Datin Lim Ai Ling is a director of the Company. She is also a director of Alam Ria Sdn. Bhd., Perangsang Water Management Sdn. Bhd., Exitra Sdn. Bhd., SWM Environment Sdn. Bhd., and GSL Realty Sdn. Bhd..

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include Executive Director of the Company and certain members of senior management of the Group and of the Company.

The remuneration of Executive Director and other members of key management during the financial year are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fees	144	144	120	120
Wages, salaries and bonus	4,339	4,623	2,224	2,747
Defined contribution plan	421	427	211	221
Other emoluments	1,984	779	1,251	244
	6,888	5,973	3,806	3,332

45. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Compensation of key management personnel (Cont'd)

Included in total key management remuneration of the Group and of the Company is remuneration (consisting of fees, salaries, bonus, defined contribution plan and other remuneration) of the Company's Executive Director of RM1,919,000 (2023: RM746,000) and RM1,891,000 (2023: RM718,000) respectively.

Benefits-in-kind received by Executive Director and other members of key management of the Group and of the Company are RM184,000 (2023: RM374,000) and RM116,000 (2023: RM85,000) respectively.

46. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

Capital commitments not provided for in the financial statements are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Authorised but not contracted for:				
Property, plant and equipment	6,976	24,601	98	98
Intangible assets	85,000	-	-	-
	91,976	24,601	98	98

Intangible assets amounting to RM85 million represent the estimated construction cost of the Residual Treatment Facility ("RTF"), which a subsidiary, Sungai Harmoni Sdn. Bhd., is obligated to construct pursuant to the BWSA. The RTF will be recognised as an intangible asset during construction and amortised over the remaining tenure of the BWSA upon completion.

Contingent liabilities

There are no contingent liabilities in the Group and in the Company which have arisen as at the end the current and previous financial year.

47. OPERATING LEASE ARRANGEMENTS

The Group as a lessor

The Group enters into lease agreements as a lessor with respect to its investment properties, the advertisement billboards, rest and services area along its highways to business operators or retailers. The Group entered into operating lease arrangements of between 1 to 5 years, with extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Year 1	274	272	752	752
Year 2	87	15	781	739
Year 3	42	4	779	779
Year 4	-	-	779	779
Year 5 onwards	-	-	2,463	3,241
	403	291	5,554	6,290

ANALYSIS OF SHAREHOLDINGS

as at 21 March 2025

SHAREHOLDINGS STRUCTURE

The total number of issued shares of the Company stands at 2,015,817,574 ordinary shares, with voting right of one vote per ordinary share.

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	363	4.53	10,878	0.00
100 – 1,000	1,008	12.59	584,519	0.03
1,001 – 10,000	3,449	43.06	18,607,425	0.92
10,001 – 100,000	2,667	33.30	84,626,958	4.20
100,001 to less than 5% of issued shares	520	6.50	758,204,461	37.61
5% and above of issued shares	2	0.02	1,153,783,333	57.24
Total	**8,009**	**100.00**	**2,015,817,574**	**100.00**

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%
1.	LGB Group Sdn. Bhd.	1,006,833,333	49.95
2.	Lembaga Tabung Haji	146,950,000	7.29
3.	CIMB Group Nominees (Asing) Sdn. Bhd. Pledged Securities Account – DBS Bank Ltd for Vijay Vijendra Sethu (SG1400407752)	81,250,000	4.03
4.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for UBS AG Singapore (Foreign)	75,000,000	3.72
5.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	51,767,381	2.57
6.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for Morgan Stanley Smith Barney LLC (CLNT FUL PD SEG)	42,669,583	2.12
7.	Lim Chee Meng	42,645,050	2.12
8.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Lim Chee Meng (PB)	41,666,666	2.07
9.	Ng Yim Hoo	18,063,333	0.90
10.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (Islamic)	18,001,219	0.89
11.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LBF)	15,850,400	0.79
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa Family Takaful Berhad (Family)	15,224,400	0.76
13.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LPF)	14,256,800	0.71
14.	Minhat Bin Mion	13,333,333	0.66

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares Held	%
15.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for Citibank New York (Norges Bank 22)	12,270,100	0.61
16.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa Life Insurance Berhad (Life Par)	11,408,400	0.57
17.	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (CGS CIMB)	10,079,000	0.50
18.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Ng Lee Ling (PB)	9,000,000	0.45
19.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa General Takaful Berhad (Shareholders Fund – EQ)	8,981,200	0.45
20.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Takaful Berhad (Mekar)	7,575,600	0.38
21.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa General Takaful Berhad (General 2)	7,021,000	0.35
22.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (DR)	6,414,000	0.32
23.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa Life Insurance Berhad (Life Non Par)	6,368,600	0.32
24.	Citigroup Nominees (Tempatan) Sdn. Bhd. Lembaga Tabung Haji (Principal)	6,290,033	0.31
25.	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa Family Takaful Berhad (Shareholders)	5,793,900	0.29
26.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	5,276,700	0.26
27.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LSF)	4,585,600	0.23
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (DG)	4,396,300	0.22
29.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Ka Ting (E-SS2)	4,380,000	0.22
30.	Citigroup Nominees (Tempatan) Sdn. Bhd. Great Eastern Life Assurance (Malaysia) Berhad (LGF)	4,368,700	0.22
	TOTAL	**1,697,720,631**	**84.28**

ANALYSIS OF SHAREHOLDINGS

as at 21 March 2025

The substantial shareholders as per the Register of Substantial Shareholders:-

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	Notes	%
LGB Group Sdn. Bhd.	1,006,833,333	49.95	-	-	-
Lembaga Tabung Haji	153,240,033	7.60	-	-	-
Vijay Vijendra Sethu	106,250,000	5.27	75,000,000	(a)	3.72
Dato' Lim Chee Meng	84,311,716	4.18	1,006,833,333	(b)	49.95
Lim Chin Sean	250,006	0.01	1,006,833,333	(b)	49.95

Notes:-

(a) Indirect interest through a family trust.

(b) Deemed interest by virtue of their shareholdings in LGB Group Sdn. Bhd. pursuant to Section 8(4) of Companies Act 2016.

The Directors' shareholdings as per the Register of Directors' Shareholdings:-

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	Notes	%
YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz	-	-	-	-	-
Kevin Chin Soong Jin	1,438,333	0.07	-	-	-
Datuk Roger Tan Kor Mee	-	-	-	-	-
Datin Pauline Tam Poh Lin	-	-	275,000	(a)	0.014
Datin Irene Lim Ai Ling	1,729,166	0.09	18,217,916	(a)	0.904

Note:-

(a) Deemed interest by virtue of their spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fourth Annual General Meeting ("34th AGM") of the Company will be held at Grand Ballroom, Level 1, M World Hotel Petaling Jaya (formerly known as Avante Hotel), Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor on Thursday, 12 June 2025 at 2.30 p.m. or at any adjournment thereof for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 1)**

2. To approve the payment of Directors' fees and benefits with effect from 13 June 2025 until the next Annual General Meeting of the Company to be held in 2026. **(Resolution 1)** **(Please refer to Note 2)**

3. To re-elect Datin Pauline Tam Poh Lin who is retiring pursuant to Clause 77 of the Constitution of the Company and being eligible, has offered herself for re-election. **(Resolution 2)** **(Please refer to Note 3)**

4. To re-elect Datin Irene Lim Ai Ling who is retiring pursuant to Clause 82 of the Constitution of the Company and being eligible, has offered herself for re-election. **(Resolution 3)** **(Please refer to Note 4)**

5. To re-appoint Deloitte PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 4)** **(Please refer to Note 5)**

As Special Business

To consider and if thought fit, with or without any modification(s), to pass the following Resolutions:

6. **AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("PROPOSED GENERAL MANDATE")**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approvals of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby empowered to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of the issued shares (excluding any treasury shares) of the Company for the time being. **(Resolution 5)** **(Please refer to Note 6)**

THAT pursuant to Section 85 of Companies Act 2016, read together with Clause 3 of the Constitution of the Company, approval be and is hereby given for the waiver of the statutory pre-emptive rights of the shareholders of the Company to be offered New Shares ranking equally to the existing issued shares arising from issuance of New Shares pursuant to the Proposed General Mandate.

THAT the New Shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such New Shares.

NOTICE OF ANNUAL GENERAL MEETING

THAT such approval on the Proposed General Mandate shall continue to be in force until:

a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;

b. at the expiration of the period within which the next Annual General Meeting is required to be held after the approval was given; or

c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

7. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **(Resolution 6)** **(Please refer to Note 7)**

"THAT subject to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature ("RRPT") with the related party(ies) as set out in Section 2.5 of the Circular to Shareholders of the Company dated 29 April 2025 ("the Circular") provided that such transactions are:

(a) necessary for the day-to-day operations;

(b) in the ordinary course of business and are on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public; and

(c) not prejudicial to the minority shareholders of the Company.

("Shareholders' Mandate").

THAT such approval shall continue to be in force and effect until:

(a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the said Annual General Meeting;

(b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Shareholders' Mandate, with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

TAI YIT CHAN (SSM PC No.:202008001023) (MAICSA 7009143)
TAI YUEN LING (SSM PC No.: 202008001075) (LS 0008513)
Company Secretaries

Petaling Jaya
Dated this 29th day of April, 2025

Explanatory Notes on Ordinary Business/Special Business:

1. **Item 1 of the Agenda**
To receive the Audited Financial Statements for the financial year ended 31 December 2024

This Agenda item is meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 do not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. **Item 2 of the Agenda**
To approve the payment of Directors' fees and benefits with effect from 13 June 2025 until the next Annual General Meeting of the Company to be held in 2026

The proposed Ordinary Resolution 1, if passed, will give authority to the Company to pay the Directors' fees with effect from 13 June 2025 until the next Annual General Meeting of the Company to be held in 2026, as and when their services are rendered, based on the rate of RM200,000 per year for Chairman of the Board, RM160,000 per year for Chairman of the Audit and Risk Management Committee and RM120,000 per year for other Directors. The quantum of the Directors' fees for each category of Directors remains unchanged as compared with the year 2024.

It will also give authority to the Company to pay the Directors' benefits with effect from 13 June 2025 until the next Annual General Meeting of the Company to be held in 2026.

NOTICE OF ANNUAL GENERAL MEETING

The Directors' benefits comprise the following and will be paid as and when incurred:

Benefits	Description	Amount
Meeting* allowance	Chairman	RM2,000 per meeting*
	Members	RM1,500 per meeting*
Directors' and Officers' Indemnity Insurance	-	RM17,900

* Meeting means and includes general meetings, scheduled and non-scheduled board and board committee meetings and such other discussions as may be decided by the Board of Directors.

3. **Item 3 of the Agenda**
To re-elect the Datin Pauline Tam Poh Lin who is retiring pursuant to Clause 77 of the Constitution of the Company and being eligible, has offered herself for re-election

Pursuant to Clause 77 of the Constitution of the Company, one-third of the Directors for the time being shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office once at least in each three years. Datin Pauline Tam Poh Lin is retiring pursuant to Clause 77 of the Constitution.

Datin Pauline Tam Poh Lin has offered herself for re-election at the 34th AGM. The Nominating and Remuneration Committee ("NRC") has reviewed her performance, contribution as well as fit and propriety in accordance with the fit and proper policy, and recommended for her re-election. The Board has endorsed the NRC's recommendation, based on the justification that Datin Pauline Tam Poh Lin has exercised due care and carried out her duty as a Director proficiently.

Datin Pauline Tam Poh Lin has abstained from the deliberation and decision on her proposed re-election. Please refer to the Corporate Governance Overview Statement or Corporate Governance Report for further details on the assessment conducted by the NRC and the Board. The profile of Datin Pauline Tam Poh Lin is set out in Director's profile of the Annual Report 2024.

4. **Item 4 of the Agenda**
To re-elect Datin Irene Lim Ai Ling who is retiring pursuant to Clause 82 of the Constitution of the Company and being eligible, has offered herself for re-election

Pursuant to Clause 82 of the Constitution of the Company, any director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

Datin Irene Lim Ai Ling who was appointed on 15 August 2024 shall hold office until the conclusion of the 34th AGM and being eligible, has offered herself for re-election. The NRC had deliberated and recommended for her re-election. The Board has endorsed the NRC's recommendation, based on the justification that Datin Irene Lim Ai Ling exercises due care and carries out her duties as a Director proficiently.

Datin Irene Lim Ai Ling has abstained from the deliberation and decision on her proposed re-election. The profile of Datin Irene Lim Ai Ling is set out in Directors's Profile of the Annual Report 2024.

5. **Item 5 of the Agenda**
To re-appoint Deloitte PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration

The Audit and Risk Management Committee ("ARMC") had conducted assessment on the performance of Deloitte PLT. Please refer to the Corporate Governance Overview Statement or Corporate Governance Report for further details on the assessment conducted by ARMC.

6. **Item 6 of the Agenda**
Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016 ("Proposed General Mandate")

The proposed Ordinary Resolution 5 is intended to renew the authority granted to the Directors of the Company at the Thirty-Third Annual General Meeting ("33rd AGM") of the Company held on 13 June 2024, and if passed, will give the Directors authority to issue and allot shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares"), provided that the aggregate number of such New Shares to be issued and alloted pursuant to this resolution does not exceed 10% of the total number of the issued shares (excluding any treasury shares) of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance. The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

As at the date of this Notice, there were no New Shares issued pursuant to the mandate granted to the Directors of the Company at the 33rd AGM of the Company held on 13 June 2024 and which will lapse at the conclusion of the 34th AGM. If there should be a decision to issue New Shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

The 10% General Mandate granted by the shareholders at the 33rd AGM of the Company held on 13 June 2024 had not been utilised and hence, no proceeds were raised therefrom.

The renewal of the Proposed General Mandate will enable the Directors to take swift action for allotment of New Shares for any possible fund raising activities, including but not limited to placing of New Shares, without making a pre-emptive offer to existing shareholders, for the purpose of funding current and/or future investment project(s), working capital, acquisition(s) and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors of the Company may deem fit in the best interest of the Company.

7. **Item 7 of the Agenda**
Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The proposed Ordinary Resolution 6 is intended to seek shareholders' mandate to renew the existing shareholders' mandate granted by the shareholders of the Company at the 33rd AGM held on 13 June 2024 for recurrent related party transactions. The Proposed Shareholders' Mandate will enable the Group to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The Proposed Shareholders' Mandate would eliminate the need to convene separate general meetings from time to time to seek shareholders' approvals as and when potential recurrent related party transactions arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company and its subsidiaries.

Further information on the proposed Ordinary Resolution 6 is set out in the Circular to Shareholders dated 29 April 2025.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 6 June 2025 shall be eligible to attend the 34th AGM.

2. A member/shareholder of the Company entitled to attend and vote at the 34th AGM is entitled to appoint more than one (1) proxy but not more than two (2) proxies to attend and vote in his stead. Where a member/shareholder appoints two (2) proxies to attend and vote at the 34th AGM, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 34th AGM shall have the same rights as the member of the Company to speak at the 34th AGM.

3. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where the authorised nominee appoints two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited with the Share Registrars of the Company at Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than twenty four (24) hours before the time for holding the 34th AGM, i.e. by 2.30 p.m. on Wednesday, 11 June 2025 or any adjournment thereof. Alternatively, the form of proxy can be deposited electronically through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before the proxy form lodgement cut-off time as mentioned above. Please refer to the procedures in the Administrative Guide for the 34th AGM for the lodgement of proxy form.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FORM OF PROXY

TALIWORKS CORPORATION BERHAD
Company No. 196501000264 (6052-V)
(Incorporated in Malaysia)

No. of shares held	:	
CDS Account No.	:	

I/We* ______________________ NRIC/Passport/Registration No.* ______________________
(Name in full)

of ____
(Address)

with email address ______________________ tel. no.______________________

being a member/members* of **TALIWORKS CORPORATION BERHAD** ("the Company"), hereby appoint:-

Full Name:	**NRIC/Passport No.:**	**Proportion of shareholding to be represented by the proxy/proxies:**	
		No. of Shares	**%**
Address:			
Tel. No.:		Email Address:	
*And/or			

Full Name:	**NRIC/Passport No.:**	**Proportion of shareholding to be represented by the proxy/proxies:**	
		No. of Shares	**%**
Address:			
Tel. No.:		Email Address:	
*And/or			

or failing him/her, the **Chair of the Meeting* as my/our proxy to vote for me/us on my/our behalf at the Thirty-Fourth Annual General Meeting ("34th AGM") of the Company to be held at Grand Ballroom, Level 1, M World Hotel Petaling Jaya *(formerly known as Avante Hotel)*, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor on Thursday, 12 June 2025 at 2.30 p.m. or any adjournment thereof for the resolutions set out in the Notice of the Meeting.

*Please delete as appropriate.

This proxy is to vote on the resolutions set out in the Notice of the Meeting, as indicated with an 'X' in the appropriate spaces below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

No.	Resolution			
Ordinary Business			**For**	**Against**
1	To approve the payment of Directors' fees and benefits	Ordinary Resolution 1		
2	Re-election of Datin Pauline Tam Poh Lin as Director pursuant to Clause 77 of the Constitution	Ordinary Resolution 2		
3	Re-election of Datin Irene Lim Ai Ling as Director pursuant to Clause 82 of the Constitution	Ordinary Resolution 3		
4	Re-appointment of Messrs. Deloitte PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration	Ordinary Resolution 4		
Special Business				
5	Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 5		
6	Proposed renewal of existing Shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature	Ordinary Resolution 6		

Signed this _________ day of ___________, 2025.

____
Signature or Common Seal of Member(s)

Tel. No. ______________________

Notes:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 6 June 2025 shall be eligible to attend the 34th AGM.
2. A member/shareholder of the Company entitled to attend and vote at the 34th AGM is entitled to appoint more than one (1) proxy but not more than two (2) proxies to attend and vote in his stead. Where a member/shareholder appoints two (2) proxies to attend and vote at the 34th AGM, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 34th AGM shall have the same rights as the member of the Company to speak at the 34th AGM.
3. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where the authorised nominee appoints two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account, such appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited with the Share Registrars of the Company at Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than twenty four (24) hours before the time for holding the 34th AGM, i.e. by 2.30 p.m. on Wednesday, 11 June 2025 or any adjournment thereof. Alternatively, the form of proxy can be deposited electronically through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before the proxy form lodgement cut-off time as mentioned above. Please refer to the procedures in the Administrative Guide for the 34th AGM for the lodgement of proxy form.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of 34th AGM dated 29 April 2025.

1st fold here

Affix Stamp

The Share Registrars
TALIWORKS CORPORATION BERHAD (196501000264) (6052-V)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
T +60 3 7890 4700
F +60 3 7890 4670

Then fold here

Fold this flap for sealing

Taliworks Corporation Berhad
[Company No. 196501000264 (6052-V)]

Level 19, Menara LGB,
No. 1, Jalan Wan Kadir,
Taman Tun Dr. Ismail,
60000 Kuala Lumpur, Malaysia

T +603 2788 9100
F +603 2788 9101
E info@taliworks.com.my
W www.taliworks.com.my