



ZELAN BERHAD

Resilience in **Motion**

# 2024

## Annual Report



## OUR VISION

To be the preferred engineering and construction group in Malaysia.

## OUR MISSION

To be competitive and at the forefront of the industry transformation by:

- Offering technologically innovative designs and solutions;
- Pursuing the highest levels of work quality and service excellence in our fields of specialisation with optimal use of resources; and
- Maximising returns to shareholders.

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## CORPORATE VALUES

Our core values of integrity, caring, innovation, and professionalism are fundamental to our commitment to delivering exceptional results and maintaining the highest standards of excellence.



Integrity



Caring



Innovative



Professionalism



## OUR BUSINESS FOCUS

Our business focus is engineering and construction projects and public private partnership projects, mainly in Malaysia.

Board  
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➤ PROXY FORM

Resilience in Motion



# 49

TH  
ANNUAL  
GENERAL  
MEETING

**Day & Date:**

Wednesday, 11 June 2025

**Time:**

10.00 a.m.

**Venue:**

Komune Living & Wellness,  
No. 21, Jalan Tasik Permaisuri 2,  
Bandar Tun Razak,  
56000 Cheras,  
Kuala Lumpur

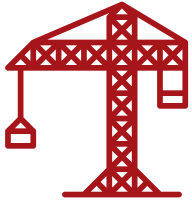
This annual report is available on the web at

[www.zelan.com](http://www.zelan.com) or

<http://www.zelan.com/annual-reports/>



or you can scan here  
to download



# YESTERDAY

We've learnt much  
from the past...







• Kuala Terengganu Drawbridge

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Anwar bin Haji @ Aji**  
Non-Independent,  
Non-Executive Chairman

**Datuk Puteh Rukiah binti  
Abd Majid**  
Non-Independent,  
Non-Executive Director

**Suhaimi bin Halim**  
Independent,  
Non-Executive Director

**Mohd Shukor bin Abdul Mumin**  
Independent,  
Non-Executive Director

**Amalanathan a/l L. Thomas**  
Independent,  
Non-Executive Director

**Dato' Mohd Redza Shah bin  
Abdul Wahid**  
Independent,  
Non-Executive Director

## COMPANY SECRETARY

Jamalia Sheridan binti Khotib  
LS0010546  
SSM PC No. 202108000244

## AUDITORS

**Nexia SSY PLT**  
(LLP0019490-LCA & AF002009)  
UOA Business Park, Tower 3  
5<sup>th</sup> Floor, K03-05-08  
1 Jalan Pengaturcara U1/51A Section U1  
40150 Shah Alam  
Selangor Darul Ehsan, Malaysia  
Telephone : +60(3) 5039 1811  
Facsimile : +60(3) 5039 1822  
Email : [www.nexiassy.com](http://www.nexiassy.com)

## SHARE REGISTRAR

**BoardRoom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor  
Telephone : +60(3) 7890 4700  
Facsimile : +60(3) 7890 4670

## REGISTERED OFFICE

24<sup>th</sup> Floor, Wisma Zelan  
No. 1, Jalan Tasik Permaisuri 2  
Bandar Tun Razak, Cheras  
56000 Kuala Lumpur  
Telephone : +603-9173 9173  
Facsimile : +603-9171 8191  
Email : [info@zelan.com.my](mailto:info@zelan.com.my)

## PRINCIPAL BANKERS

Bank Pembangunan Malaysia Berhad  
Bank Muamalat Malaysia Berhad  
HSBC Bank Middle East Limited

## STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia  
Securities Berhad  
Stock Code : 2283



# FINANCIAL CALENDAR

## FINANCIAL YEAR ENDED 31 DECEMBER 2024

### ANNOUNCEMENT OF RESULTS

1	2	3	4
First Quarter Ended 31 March 2024	Second Quarter Ended 30 June 2024	Third Quarter Ended 30 September 2024	Fourth Quarter Ended 31 December 2024
29 May 2024	27 August 2024	14 November 2024	25 February 2025

## PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS

Notice of the 49 <sup>th</sup> Annual General Meeting  30 April 2025		49 <sup>TH</sup> ANNUAL GENERAL MEETING  11 June 2025
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# 5 YEARS' FINANCIAL HIGHLIGHTS

	Financial Year ended 31.12.2024 (RM'000)	Financial Year ended 31.12.2023 (RM'000)	Financial Year ended 31.12.2022 (RM'000)	Financial Year ended 31.12.2021 (RM'000)	Financial Year ended 31.12.2020 (RM'000)
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## KEY COMPREHENSIVE INCOME STATEMENT DATA (RM'000)

Revenue	40,168	30,338	50,431	45,912	51,929
Gross profit	19,837	17,944	30,144	14,212	22,851
Profit before zakat and taxation	(247,926)	68,405	1,931	7,620	42,101
Profit attributable to equity holders of the Company	(252,234)	65,380	1,377	3,142	36,215

## KEY FINANCIAL POSITION STATEMENT DATA (RM'000)

Total assets	460,102	761,179	785,573	863,814	847,688
Total assets less current liabilities	263,579	564,064	558,631	562,662	583,652
Deposits, cash and bank balances	49,257	55,262	43,941	39,465	32,788
Borrowings	373,643	410,076	483,679	503,373	526,982
Equity attributable to owners of the Company	(92,766)	155,922	96,644	84,268	88,002

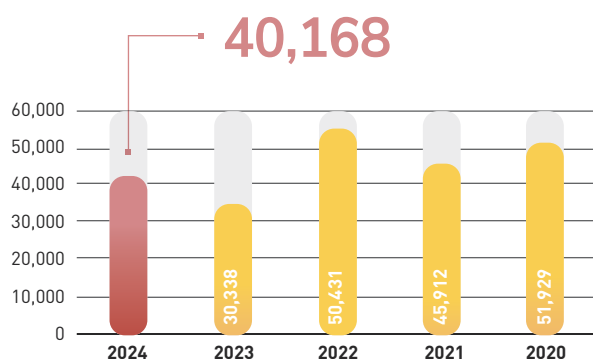
## FINANCIAL RATIOS (%)

Debt to equity	N/A	263.0	500.5	597.3	598.8
Pre-tax return on equity attributable to owners of the Company	N/A	43.9	2.0	9.0	47.8

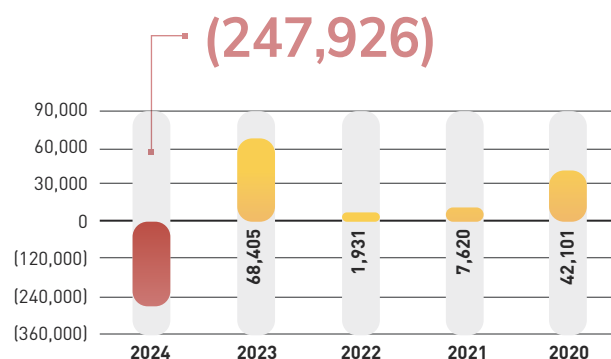
## SHARE INFORMATION

Per Share (sen)					
Net tangible assets per share (RM)	(0.11)	0.18	0.11	0.10	0.10
Basic earnings/(loss) per share (sen)	(29.85)	7.74	0.2	0.4	0.3
Diluted earnings/(loss) per share (sen)	(29.85)	7.74	0.2	0.4	0.3

### REVENUE (RM'000)



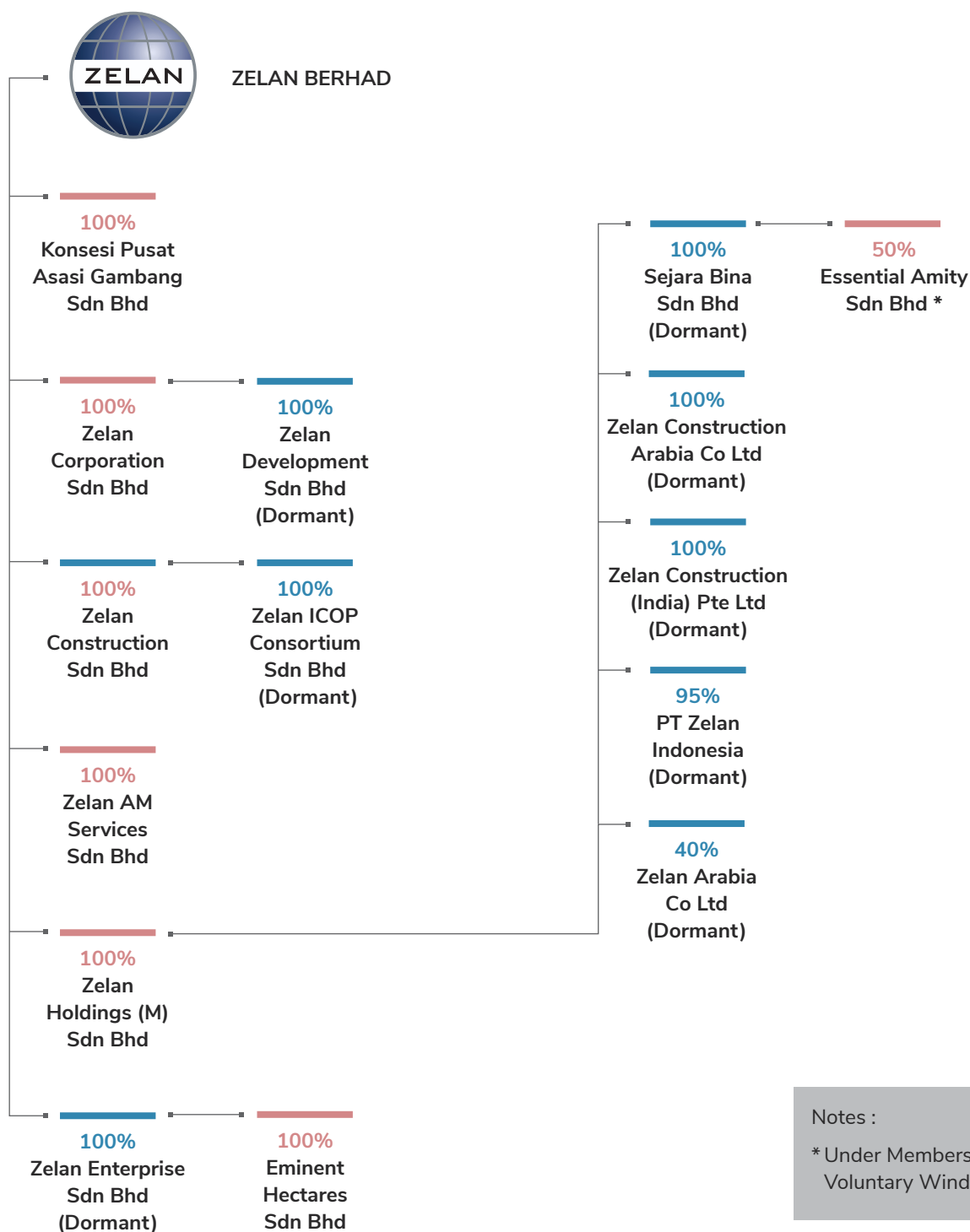
### PROFIT BEFORE ZAKAT AND TAXATION (RM'000)

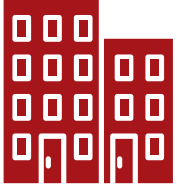






# CORPORATE STRUCTURE/ KEY OPERATING COMPANIES





# TODAY

We're ready to embrace  
new opportunities...







• IIUM Gambang Campus





# MANAGEMENT DISCUSSION & ANALYSIS





**Revenue recorded at RM40.2 million increased by 32.5% compared to the previous year of RM30.3 million, primarily due to an increase in asset management and asset replacement works in our concession project known as Centre for Foundation Studies (Phase 3) at IIUM's Gambang Campus in Pahang.**



REVENUE 2024

**RM40.2** MILLION **32.5** % INCREASED FROM 2023

### DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, we are pleased to present the Annual Report and Audited Financial Statements of the Group for the financial year ended ("FYE") 31 December 2024. We would like to express our sincere gratitude for your continued support and understanding as we navigate a particularly challenging period in the history of Zelan Berhad.





## MANAGEMENT DISCUSSION & ANALYSIS

### GROUP RESULTS

During the year under review, Zelan Group faced substantial financial challenges, reflected in its financial performance. Revenue recorded at RM40.2 million increased by 32.5% compared to the previous year of RM30.3 million, primarily due to an increase in asset management and asset replacement works in our concession project known as Centre for Foundation Studies (Phase 3) at IIUM's Gambang Campus in Pahang.

Zelan Group recorded loss before tax and zakat of RM247.9 million in FY2024. This loss before tax and zakat was primarily due to the impairment of trade receivable of an arbitration award against a project owner of the Group's project in Abu Dhabi, United Arab Emirates ("UAE").

Significant efforts have been made to recover the awarded sum, including execution proceedings filed in the Execution Court of Abu Dhabi, UAE with the assistance of solicitors and relevant authorities both in Abu Dhabi, UAE and Malaysia. Diplomatic channels have also been engaged in the efforts to recover the awarded sum. Despite these ongoing efforts, the Group has assessed the recoverability of the awarded sum and determined that there is an uncertainty regarding the recoverability of the awarded sum. Given the prolonged nature of the recovery process and the inherent challenges involved, the Group has decided to fully impair the awarded sum of RM252.0 million. Nevertheless, the Group remains committed to exhausting all available avenues for recovery and will continue to make new efforts to recover the arbitration award against the project owner in Abu Dhabi, UAE.

This impairment reflects a prudent and conservative approach in line with applicable financial reporting standards, ensuring that the financial statements provide a fair and accurate representation of the Group's financial position. However, this impairment has led our shareholders' equity to fall to negative (RM93.1) million, below 25% of our issued capital and has triggered the Prescribed Criteria under Paragraph 2.1(a) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").



### ACKNOWLEDGING THE CHALLENGE

This event, while a serious matter, has become a turning point - one that has prompted a comprehensive review of our operations, financial position and future strategy.

It underscores the urgent need for decisive action, strategic clarity and transparent governance. We remain fully committed to returning the company to a stable and sustainable path.

### APPOINTMENT OF PRINCIPAL ADVISER

We are pleased to inform you that we have formally appointed Malacca Securities Sdn. Bhd. ("Malacca Securities") on 21 March 2025 as our Principal Adviser to assist in the formulation and execution of a Regularisation Plan. This appointment represents a significant milestone in our recovery journey.

Malacca Securities brings with them deep expertise in corporate rehabilitation and capital markets advisory. Their role will be pivotal in guiding us through the regulatory and strategic processes required to lift our PN17 status and restore investors' confidence.



## OUR STRATEGIC PRIORITIES

Our Regularisation Plan, now in active development, will be comprehensive and forward-looking. The Board, management team, and Principal Adviser are collaborating closely to evaluate various options, including:

- Recapitalisation initiatives, such as equity restructuring or fund-raising exercises;
- Business reorganisation, focusing on cost efficiency and operational realignment;
- Asset optimisation, including divestment of non-core assets and revitalisation of key revenue streams.

We intend to submit the regularisation plan to Bursa Securities within the stipulated timeframe and will ensure all regulatory requirements are met.

## LOOKING AHEAD

We recognise that this is a time of uncertainty. However, we want to assure all stakeholders that the Board is taking proactive steps to steer the company toward stability. The journey to recovery will demand transparency, discipline and commitment-qualities that we are prepared to uphold at every stage.

We remain deeply appreciative of the support shown by our shareholders, business partners, employees and regulators. Your confidence in us is the foundation of our determination to move forward.

While there is much work ahead, there is also renewed hope. With strong leadership, the guidance of our Principal Adviser and the collective will of the Board and management, we are laying the groundwork for a new beginning.

Thank you once again for standing with us. We look forward to updating you on our progress as we move toward a stronger, more resilient future for Zelan Berhad.



# BOARD OF DIRECTORS







# CTORS



**From left to right:**

**Suhaimi bin Halim**

Independent,  
Non-Executive Director

**Dato' Anwar bin Haji @ Aji**

Non-Independent,  
Non-Executive Chairman

**Datuk Puteh Rukiah binti  
Abd Majid**

Non-Independent,  
Non-Executive Director

**Mohd Shukor bin Abdul Mumin**

Independent,  
Non-Executive Director

**Amalanathan a/l L. Thomas**

Independent,  
Non-Executive Director

**Dato' Mohd Redza Shah bin  
Abdul Wahid**

Independent,  
Non-Executive Director

BOARD OF

DIRECTORS' PROFILE

DATO' ANWAR BIN AJI

Non-Independent, Non-Executive Chairman



Nationality  
Malaysian



Aged  
75



Appointed to the Board on  
11 December 2008

Dato' Anwar bin Haji @ Aji was appointed to the Board as an Independent Non-Executive Chairman on 11 December 2008. He was re-designated as Executive Chairman on 19 January 2011 and subsequently as Independent Non-Executive Chairman on 1 December 2012. On 20 March 2025, Dato' Anwar bin Haji @ Aji was re-designated as a Non-Independent Non-Executive Director. He is also the Chairman of the Practice Note 17 Board Committee.

Dato' Anwar bin Haji @ Aji holds Master of Arts in International Studies from Ohio University, United States of America in 1982.

Dato' Anwar bin Haji @ Aji started his career with the Government of Malaysia and has held various positions in the Ministry of International Trade and Industry, the Prime Minister's Department and the Ministry of Finance. He joined Khazanah Nasional Berhad in 1994 and held the position of Managing Director prior to his departure in May 2004.


Dato' Anwar bin Haji @ Aji is a Chairman of the Nominating and Remuneration Committee and a member of the Audit Committee, Risk Management and Sustainability Committee and Long-Term Incentive Plan Committee of MBM Resources Berhad.

Dato' Anwar bin Haji @ Aji does not have any family relationship with and is not related to any director of Zelan Berhad and/or major shareholder of Zelan Berhad and does not have any conflict of interest with the Company. Dato' Anwar bin Haji @ Aji has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.


Dato' Anwar bin Haji @ Aji attended 11 out of 11 board meetings held during the financial year ended 31 December 2024.

DATUK PUTEH RUKIAH BINTI ABD MAJID


Non-Independent, Non-Executive Director



Nationality  
Malaysian



Aged  
72



Appointed to the Board on  
15 April 2013

Datuk Puteh Rukiah binti Abd Majid was appointed to the Board as an Independent, Non-Executive Director on 15 April 2013. Subsequently, she was re-designated as Non-Independent Non-Executive Director on 15 April 2025. Datuk Puteh Rukiah is also a member of the Audit Committee.

Datuk Puteh Rukiah binti Abd Majid holds Master of Arts (Economics) from Western Michigan University, United States of America.

She began her career with the Government of Malaysia ("Government") in 1976 and has held various positions in the Economic Planning Unit, Prime Minister's Department. She continued to serve the Government in the Ministry of Finance from 1990 and held various posts in the Ministry. Her various appointments included being the Principal Assistant Director of the Budget Division and as Undersecretary, Investment and Privatisation and Minister of Finance Incorporated Division. From 2006 until March 2011, she was the Deputy Secretary General (Systems and Controls), at the Ministry of Finance.

Datuk Puteh Rukiah binti Abd Majid also sits on the boards of MIF Investments Ltd.

Datuk Puteh Rukiah binti Abd Majid does not have any family relationship with and is not related to any director of Zelan Berhad and/or major shareholder of Zelan Berhad and does not have any conflict of interest with the Company. Datuk Puteh Rukiah binti Abd Majid has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Datuk Puteh Rukiah binti Abd Majid attended 11 out of 11 board meetings held during the financial year ended 31 December 2024.





## BOARD OF DIRECTORS' PROFILE

### SUHAIMI BIN HALIM

Independent, Non-Executive Director



Nationality  
Malaysian



Aged  
69



Appointed to the Board on  
11 September 2014

Encik Suhaimi bin Halim was appointed to the Board as an Independent, Non-Executive Director on 11 September 2014. On 6 June 2018, he was appointed as a member of the Audit Committee and subsequently as the Chairman of the Audit Committee on 16 March 2022. He is also a member of the Nomination and Remuneration Committee.

Encik Suhaimi holds a Bachelor of Science (Civil Engineering) - with Honours from University of Glasgow, Scotland.

Encik Suhaimi was with UEM Group since 1988, holding various senior positions prior to his retirement on 30 June 2013. In his more than 30 years' experience, he had the opportunity to be involved in various major infrastructure projects specifically expressway and transportation sectors in both construction and operations.

Encik Suhaimi does not have any family relationship with and is not related to any director of Zelan Berhad and/or major shareholder of Zelan Berhad and does not have any conflict of interest with the Company. Encik Suhaimi has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Encik Suhaimi attended 10 out of 11 board meetings held during the financial year ended 31 December 2024.

### MOHD SHUKOR BIN ABDUL MUMIN

Independent, Non-Executive Director



Nationality  
Malaysian



Aged  
65



Appointed to the Board on  
20 January 2016

Encik Mohd Shukor bin Abdul Mumin was appointed to the Board as an Independent, Non- Executive Director on 20 January 2016.

Encik Mohd Shukor holds an LLB (Honours) Degree from University of Buckingham, United Kingdom and Master of Law Society (LLM) from Universiti Kebangsaan Malaysia (UKM). He is also a member of the Malaysian Bar and the Sabah Law Association.

Encik Mohd Shukor started his career as Manager with CIMB Bank Berhad in 1983. In 1998, he joined Permodalan Bumiputra Sabah Berhad and has held the position of Group Managing Director from 1998 until 2004. Encik Mohd Shukor was an Advocate & Solicitor of Messrs. A1 Shukor & Co., a legal firm in Kuala Lumpur from 2009 until 2021.

Encik Mohd Shukor was appointed as the Executive Director of Qhazanah Sabah Berhad (QSB) in November 2020 until 7 February 2023.

Encik Mohd Shukor served as the Deputy Chairman of Angkatan Hebat Sdn. Bhd. (AHSB) since January 2021 and as the Managing Director of Qhazanah Technology Sdn. Bhd. (QTSB) since November 2020, subsidiaries of QSB respectively. He also holds directorships in other subsidiaries in the group of company of QSB until 7 February 2023.


On 21 January 2021, Encik Mohd Shukor joined Qhazanah Quantum Sdn. Bhd. (QSQB) as the Chairman until May 2023. He sits on the Board as Independent Non-Executive Director of Berjaya Assets Berhad on 28 April 2022.


Encik Mohd Shukor does not have any family relationship with and is not related to any director of Zelan Berhad and/or major shareholder of Zelan Berhad and does not have any conflict of interest with the Company. Encik Mohd Shukor has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Encik Mohd Shukor attended 11 out of 11 board meetings held during the financial year ended 31 December 2024.

## BOARD OF DIRECTORS' PROFILE

### AMALANATHAN A/L L. THOMAS Independent, Non-Executive Director

 Nationality  
Malaysian

 Aged  
66

 Appointed to the Board on  
21 January 2022

Encik Amalanathan a/l L.Thomas was appointed to the Board as an Independent, Non-Executive Director on 21 January 2022. He is also a member of the Audit Committee, Nomination and Remuneration Committee and Practice Note 17 Board Committee.

He holds a Master of Business Administration from the University of Malaya and has obtained Professional Qualifications in Accounting and Taxation. He holds memberships in the Malaysian Institute of Accountants, Chartered Tax Institute of Malaysia, Institute of Internal Auditors Malaysia, ASEAN Chartered Professional Accountant, Malaysian Institute of Management and Institute of Corporate Directors Malaysia.


Prior to his retirement on 30 June 2021, he was the Group Director, Financial Services of DRB-HICOM Berhad. He was appointed as Principal Officer of DRB-HICOM Berhad on 1 April 2016. He was responsible for the overall financial management of the Group and has a wide range of experience in Financial Reporting/Audit, Corporate Governance, Taxation, Debt & Equity Restructuring, Reorganization of companies and Risk & Sustainability management.


He sits on the Board of Labuan Reinsurance (L) Ltd. and also the Chairman of Remuneration and Nomination Committee and a member of Audit Committee.


Encik Amalanathan a/l L.Thomas does not have any family relationship with and is not related to any director of Zelan Berhad and/or major shareholder of Zelan Berhad and does not have any conflict of interest with the Company. Encik Amalanathan a/l L.Thomas has no conviction for any offence within the past five years and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Encik Amalanathan a/l L.Thomas attended 11 out of 11 board meetings held during the financial year ended 31 December 2024.

### DATO' MOHD REDZA SHAH BIN ABDUL WAHID Independent, Non-Executive Director

 Nationality  
Malaysian

 Aged  
62

 Appointed to the Board on  
28 November 2024

Dato' Mohd Redza Shah bin Abdul Wahid was appointed to the Board as an Independent, Non-Executive Director on 28 November 2024. He is also the Chairman of Nomination and Remuneration Committee and a member of Practice Note 17 Board Committee.

He holds Master of Science of Economics (International Banking and Finance) from University of Wales, Cardiff, United Kingdom and holds membership in the Institute of Chartered Accountant in England and Wales (ICAEW) as an Associate Chartered Accountant.

He was appointed as the Executive Director/Group Chief Operating Officer of DRB-HICOM Berhad in 2005 until 2008. Subsequently, he was appointed as an Executive Director/Chief Executive Officer for Bank Muamalat Malaysia Berhad in 2008 until 2019.

Dato' Mohd Redza Shah sits on the Board of KPJ Healthcare Berhad, Avangaad Berhad (formerly known as E.A. Technique (M) Berhad), Waqaf An-Nur Corporation Berhad and Express Power Solutions (M) Berhad.

Dato' Mohd Redza Shah does not have any family relationship with and is not related to any director of Zelan Berhad and/or major shareholder of Zelan Berhad and does not have any conflict of interest with the Company. Dato' Mohd Redza Shah has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Dato' Mohd Redza Shah attended 1 out of 1 board meeting held during the financial year ended 31 December 2024.



# MANAGEMENT TEAM

## PUAN SHAREENA BINTI SHAHRIL

Acting Chief Executive Officer

 **Nationality**  
Malaysian

 **Aged**  
43

Puan Shareena binti Shahril holds a Bachelor of Laws (Hons.) from Universiti Teknologi MARA and was called to the Bar in December 2007. With over 15 years of experience in the legal field, she has gained extensive expertise in litigation, corporate law, employment law, construction and commercial contract, and legal risk management.

Beginning her career in 2007, Puan Shareena has gained comprehensive experience at several law firms before joining UEM Builders Berhad in 2013. In 2017, she founded her own law firm, broadening her scope of practice and client base.

On 1 October 2023, Puan Shareena was appointed as Legal Manager at Zelan Berhad. In recognition of her leadership and strategic vision, she assumed the role of Acting Chief Executive Officer on 21 November 2024.

## CORPORATE SERVICES

### PUAN IRMASLIA BINTI IBRAHIM

Human Resource & Administration

**Female | Age 45 | Malaysian**

### ENCIK ZAKI ALBAR BIN BAHARI

Account & Finance

**Male | Age 57 | Malaysian**

## OPERATIONS

### MUHAMMAD FARIS ASRAF BIN ZAKARIA

Asset Management Services, Concession

**Male | Age 35 | Malaysian**



Puan Shareena  
binti Shahril

Puan Irmaslia  
binti Ibrahim

Encik Zaki Albar  
bin Bahari

Encik Muhammad Faris  
Asraf bin Zakaria



# TOMORROW

We're confident of  
our future...







● SUKE Highway



# SUSTAINABILITY STATEMENT

## INTRODUCTION

The Board of Directors (“the Board”) of Zelan Group of Companies (“the Group”) is pleased to present this Sustainability Statement, which details how the Group manages risks and opportunities associated with sustainability. We focus on Material Sustainability Matters (MSMs) in Economic, Environmental and Social (ESS) areas, enabling us to develop targeted strategies for sustainable growth.

Currently, the Group’s priorities include establishing a regularisation plan and debt restructuring. These initiatives reflect our ability to adapt to evolving market conditions as we work toward our sustainability goals. Our flexible business model allows us to effectively tackle challenges and proactively promote responsible business practices. This Sustainability Statement aims to provide clear insights into our commitment to incorporating sustainability into our operations for the long-term success of the Group.

## REPORTING FRAMEWORK

This statement has been prepared in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). It is also guided by the Global Reporting Initiatives (“GRI”) standards and the Sustainability Reporting Guide (3rd edition) from Bursa Malaysia, which form the basis for the reporting framework of this statement.

## REPORTING SCOPE

This Sustainability Statement covers Zelan Berhad and all its subsidiaries within the business sector for the financial year ended 31 December 2024 (“FYE 2024”) focuses on the four key pillars that drive the strategic approach: Economic, People, Environment and Community, across the Group. Unless mentioned otherwise, this statement excludes joint ventures.





# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE

Sustainability Governance is led by the Board of Directors, supported by the Acting Chief Executive Officer and Facility Manager as “Sustainability Working Team” to oversee the Group’s sustainability efforts, activities and initiatives, as well as setting and monitoring sustainability objectives, targets and initiatives. The following represents the framework of the sustainability governance.

Board of Directors ("Board")	<ul style="list-style-type: none"> <li>Oversees the Company's sustainability related matters including adoption of relevant governance policies.</li> <li>Establishes the overall strategic direction for the Company's sustainability plan.</li> <li>To provide approval for the disclosure of the Sustainability Statement in the annual report.</li> </ul>
Acting Chief Executive Officer ("ACEO")	<ul style="list-style-type: none"> <li>Provides reports to the Board on sustainability risks and measures addressed by the Company.</li> <li>Identify and recommend any changes in sustainability initiatives and strategies.</li> <li>Review and endorse significant EES risks and mitigation measures proposed by the SWT.</li> </ul>
Sustainability Working Team ("SWT")	<ul style="list-style-type: none"> <li>Prepare and recommend sustainability standards and procedures to the ACEO.</li> <li>Implement sustainability related strategies for managing the <b>Economy, Environment and Social</b> ("EES") risks and opportunities within their departments.</li> <li>Collect data, record and monitor EES risks.</li> <li>Assess the sustainability material matters and effort to address the material sustainability issues.</li> <li>Ensures the disclosure of the Sustainability Statement in the Annual Report is in accordance with MMLR by - "Bursa Malaysia" for sustainability reporting.</li> </ul>

## STAKEHOLDER ENGAGEMENT

The Group uses various communication channels to engage stakeholders' expectations, concerns, and interests, ensuring effective communication and alignment of business activities with diverse interests. Key stakeholder groups, methods, focus areas, and frequency are summarised as follows:-

Stakeholder Group	Focus Areas	Engagement Approach	Frequency
Shareholders	<ul style="list-style-type: none"> <li>Annual &amp; Extraordinary General Meetings</li> <li>Bursa announcements</li> <li>Quarterly reports</li> <li>Annual reports</li> <li>Timely update on corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> </ul>	Quarterly & Annually
Government Regulators	<ul style="list-style-type: none"> <li>Operations regulations</li> <li>Bursa listing requirements</li> <li>Companies' - Act</li> <li>Labour law</li> <li>Taxations</li> </ul>	<ul style="list-style-type: none"> <li>Compliances to laws and regulations</li> <li>Compliances to standards and specifications</li> </ul>	Regularly as required
Board of Directors	<ul style="list-style-type: none"> <li>Corporate strategy</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> </ul>	Quarterly & Annually
Customers	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Value Engineering (VE) to reduce potential delay.</li> <li>Quality assurance</li> <li>Innovative product</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings and visits</li> <li>Customer survey</li> </ul>	Periodically & Annually

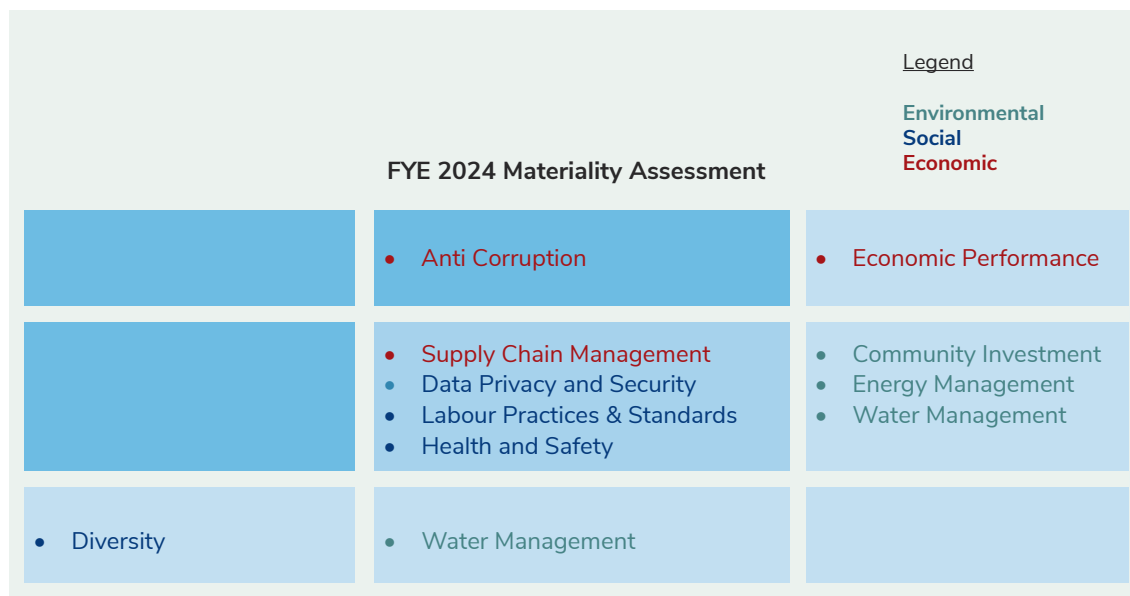
# SUSTAINABILITY STATEMENT

## STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Group	Focus Areas	Engagement Approach	Frequency
Employees	<ul style="list-style-type: none"> <li>Occupational Safety &amp; health</li> <li>Career development Programme</li> <li>Corporate Social Responsibility (CSR) activities</li> <li>Company Events and functions</li> </ul>	<ul style="list-style-type: none"> <li>Trainings</li> <li>Performance appraisal</li> <li>Team building activities</li> </ul>	Annually as required
Contractors and Suppliers	<ul style="list-style-type: none"> <li>Products' quality</li> <li>Legal compliance</li> <li>Contract terms and conditions review</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings and site visits</li> <li>Quality audit on Asset Facility Management</li> <li>Contract negotiation</li> </ul>	Annually & Periodically

## MATERIAL SUSTAINABILITY MATTERS

The Group is committed to managing sustainability issues that are material to its overall strategy and day-to-day operations. The Group believe that integrating materiality considerations into decision making can have a positive impact and contribute significantly to a sustainable future. Following the guidelines of Bursa Malaysia's Sustainability Reporting Guide ("SRG") 3rd Edition, the Group have identified (11) sustainability matters that is listed in the diagram below.





# SUSTAINABILITY STATEMENT

## ECONOMIC

### Economic Performance

Zelan Group of Companies sustainability strategy is centred on generating economic value through its business operations and financial outcomes. Amidst the challenging economic environment, the Group recognise the critical importance of the economic sustainability to stakeholders including investors, customers, employees and government entities. Since project development directly affects the financial performance, the Group promote ahead planning to control risks, create suitable mitigating strategies and establish attainable objectives. In order to achieve this, the Group are concentrating on bidding for new tender and joint ventures with partners like local government agencies, landowners, and developers. Additionally, the Group guarantee great departmental collaboration, accountability and openness, high business ethics in all of the operations, and talent retention through career advancement and employee happiness.

#### 1. Anti-Bribery and Anti-Corruption Policy

The Group adopts a zero-tolerance approach to bribery and corruption and is committed to continuously upholding the reputation and maintaining high integrity standards through the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"). This ABAC Policy applies to all including employees, directors, business partners, third parties such as vendors, consultants, and contractors as well as any external representatives acting on behalf of the Group. It adheres to Bursa Malaysia MMLR Chapter 15.29 and Malaysian Anti-Corruption Commission Act 2009 guidelines. Employees are informed of policy updates and are encouraged to report any breaches for confidential investigation.

During the reporting period, the Group are pleased to announce that no instances of corruption were identified or reported among the employees or business partners with respect to their employment with us.

	FYE 2024 (%)	FYE 2023 (%)
Percentage of operation assessed on corruption risk	100	100

#### 2. Whistleblowing Policy

The Group is committed to maintaining high standards of integrity, accountability and transparency in all its business operations to ensure that these standards are upheld. In this regard, the Group has formalised a Whistleblowing Policy which is available on the Company's website. In addition to ensuring that the reporting person can report an allegation of such malpractice or misconduct in an appropriate manner and without fear of retaliation, the policy aims to provide and facilitate a mechanism for anyone to report concerns related to any suspected and/or known misconduct, wrongdoing, corruption, fraud, waste and/or abuse of which they become aware.

During the reporting period, the Group are pleased to announce that no instances of corruption were identified or reported among the employees or business partners with respect to their employment with us.

	FYE 2024	FYE 2023
Number of confirmed incidents for FYE 2024 and 2023	None Reported	None Reported

# SUSTAINABILITY STATEMENT

## ECONOMIC (CONT'D)

### Economic Performance (Cont'd)

#### 3. Supply Chain Management

To ensure a steady supply and support the Malaysian economy, the Group consistently prioritise local suppliers provided they meet the standards for price, quality, performance and ethics. As a result, 100% of its supplies for the reporting year were sourced locally. The Group consistently review the performance of its vendors and communicate areas where they can improve. The Group consider as their business partners, acknowledging the mutual dependence between the Group and suppliers.

	FYE 2024 (%)	FYE 2023 (%)
Percentage of spending on local suppliers	100	100

## ENVIRONMENT

### Reducing Environmental Footprint

The Group is dedicated to responsible operations aimed at minimizing the environmental footprint, focusing on energy and water consumption, waste management and pollution prevention. Constructing buildings and other infrastructure has a considerable impact on the environment. This includes direct effects on land use, material usage and energy consumption. The Group has established key objectives to mitigate environmental pollution, manage construction waste effectively and conserve resources.

The Group's Environmental Management System (EMS) adheres to the International Organization for Standardization's Management Standard for Environmental Management Systems (ISO 14001:2015) and other relevant requirements. Additionally, the Group have implemented essential best practices for controlling and preventing environmental pollution, which encompass the management of water pollution, air and noise pollution and waste.

### Energy Management

The Group measure and monitor the energy consumption of the Group, reflecting electricity consumption for business operations which are mainly based in offices and fuel consumption in Company vehicles. Generally, the energy consumption is modest and the Group remains committed to enhancing energy efficiency. To achieve this, a range of initiatives have been implemented, including promoting energy conservation practices such as turning off lights, computers, air conditioner and other electronic equipment when not in use.

### Energy Saving Method

The Asset Maintenance Services ("AMS") team continuously retrofits the T5 bulb type to the LED type at hostel blocks, and the work installation is by stages. The project started at the hostel buildings, where the electricity usage is higher than in other buildings.





## SUSTAINABILITY STATEMENT

### ENVIRONMENT (CONT'D)

#### Energy Saving Method (Cont'd)

The savings energy opportunity is shown below:-

Energy	T5 28 Watt	LED T8 18 watt
Demand (kW) for 520 units of replacement LED at Mahallah Azdah & Fatimah	14.56 kW	9.36
Annual Energy Consumption (kWh) – Annual operation hour (6989 h)	101,759.84 kWh	65,417.04 kWh
Annual Energy Saving Consumption (%)	36 %	

All lighting buildings are manually controlled through a local switch, except for lighting corridors and staircases, which are scheduled through the Building Automation System (BAS). The saving energy opportunity is up to 15% to avoid daylight use.

The installation of motion or occupancy sensor for lighting automatically turn **ON / OFF** the lamps when no people occupying at the toilet area especially at public toilet area i.e. mosque, hall, hostel and class room. The work installation is still continued and work are done by stages. The saving energy opportunity is up to 50%.

The table below shows the toilet area installation with a motion sensor:

No	Building	The quantity of toilet areas
1	Mosque	2 area
2	Mahallah Azdah	9 area
3	Al Khawarizmi Hall	4 area
4	Dining Hall 2	2 area

The AMS also practices energy saving for infra or street lighting by minimizing the time lighting up during student occupancy mode and no student occupancy mode. During the student mode, the lighting is turned on until 12 midnight. Meanwhile, during no student mode, the lighting is turned on until 10 o'clock. The saving energy opportunity is up to 15%. The AMS team also recommended the installation of solar panels for energy saving and the project is about to kickstart.

In FYE 2024, the Group's total energy consumption amounted to 5,642.09904 MWh, with 0.00003951MWh derived from petrol consumption and 5,642.099 MWh derived from purchased electricity. In comparison to FYE 2023, the petrol consumption was 0.00003243 MWh and the electricity purchased was 5,374.76 MWh.

CFS IIUM Gambang	Unit	FYE 2024	FYE 2023
Petrol consumption	MWh	0.00003951	0.00003243
Electricity purchased	MWh	5,642.099	5,374.76
<b>Total energy consumption</b>	<b>MWh</b>	<b>5,642.09904</b>	<b>5,374.760032</b>

# SUSTAINABILITY STATEMENT

## WASTE MANAGEMENT

The operations of Zelan Group of Companies do not directly generate significant waste and there is generally no hazardous waste. Waste is mainly generated from office activities. The Group make efforts to foster a green office culture by implementing the 3Rs (Reduce, Reuse & Recycling), including using environmentally friendly paper for printing and photocopying and encouraging double-sided printing.

In FYE 2024, the Group generated a total of 0.7 tonnes of waste. The Group have observed an increase in the amount of waste directed to disposal. This increase is attributed to the re-painting work from 2 January 2024 to 31 December 2024. The repainting works are currently ongoing. Meanwhile, the installation of switches was started on 8 May 2024. The expansion of the business operations, which has resulted in a higher volume of waste being produced.

The following is a summary of the total waste generated by the Group, which consists of waste diverted from disposal and directed to disposal.

Category	FYE 2024	FYE 2023
Waste directed to disposal	0.6 tons	0.5 tons
Waste diverted from disposal	0.1 tons	0.02
<b>Total Waste Generated</b>	<b>0.7 tons</b>	<b>0.502 tons</b>

## Scheduled Waste

Scheduled waste generated at the sites is managed according to the Environmental Quality (Scheduled Wastes) Regulations 2005. The Group only appoint contractors who are licensed by the DOE to collect and transport the scheduled waste for treatment prior to disposal.

## WATER MANAGEMENT

Water is a precious resource, and its conservation is essential for environmental sustainability. Some of the practical steps taken by the Group include:

- Collect rainwater for general cleaning purposes;
- Withdraw water from nearby ponds for washing and cleaning; and
- Application for municipal water supply such as tap water prior to commencement of projects.

Going forward, the Group will continue to advance water conservation and responsible usage strategies. Water management plays an important role in the assessment of a construction project's impact on the environment, particularly in civil engineering. A large amount of water is typically used in the construction process - for cooling, general cleaning and many others. Therefore, the Group also minimises the negative impact of the projects on the environment, by promoting water saving campaign at CFS IIUM Gambang. The AMS team had conducted a campaign regarding water saving for end users at CFS IIUM Gambang.



## SUSTAINABILITY STATEMENT

### WATER MANAGEMENT (CONT'D)

In FY2024, the total water consumption for CFS IIUM Gampang was 340,300.00 meter cube ("M3") and for Headquarters 662-meter cube. In comparison to FYE 2023, the total water consumption for CFS IIUM Gampang was 310,283.00 M3 and for Headquarters 730 M3.

Headquarters and CFS IIUM Gampang	FYE 2024	FYE 2023
Water used (M3)	340,962.00	311,013.00

#### A. Water Monitoring (CFS IIUM Gampang)

The campus activities generate surface water runoff, which is discharged into a monsoon drain and collected at the Sewage Treatment Plant (STP) within the project sites. The Group conduct monthly & half-yearly monitoring at STP final discharge point & residential buildings to ensure its levels are within DOE limit or Conditions of Approval's compliance limit.

- Sewage Treatment Plant

PARAMETER	POTENTIAL HYDROGEN	BOD	COD	SUSPENDED SOLIDS	OIL AND GREASE	AMMONIACAL NITROGEN
STANDARD	5.5-9.0	20	120	50	5	10
UNITS	-	MG/L	MG/L	MG/L	MG/L	MG/L
Jan-24	6.8	10	31	8	3	4
Feb-24	7.1	14	35	2	-	3
Mar-24	7.3	12	42	2	-	26
Apr-24	6.3	3	43	3	1	4
May-24	6.7	5	60	5	-	25
Jun-24	6.9	11	32	6	1	20
Jul-24	8.7	8	25	18	2	21
Aug-24	7.4	6	60	5	1	17
Sep-24	5.1	19	71	29	3	7
Oct-24	7.1	43	43	5	2	29
Nov-24	7.2	63	114	9	4	30
Dec-24	7.8	5	63	14	2	8



# SUSTAINABILITY STATEMENT

## WATER MANAGEMENT (CONT'D)

### A. Water Monitoring (CFS IIUM Gambang)(Cont'd)

- Water Tank Residential Buildings

PARAMETER		PH VALUE	BOD	COLOUR	TURBIDITY
UNITS		-	MG/L	CU	FAU
Feb-24	ST 3	7.60	1.00	Not Detected (Less Than 1)	1
	DINING HALL 3	8.10	2.00	Not Detected (Less Than 1)	1
	MAHALLAH FATIMAH	7.50	4.00	Not Detected (Less Than 1)	2
	IBN AL HAITAM	8.50	4.00	Not Detected (Less Than 1)	Not Detected (Less Than 1)
	AL KHALIL	7.70	4.00	Not Detected (Less Than 1)	3
Aug-24	DINING HALL 2	8.80	3.00	Not Detected (Less Than 1)	2
	MAHALLAH AISHAH	6.90	1.00	Not Detected (Less Than 1)	2
	MIMAR SINAN	9.30	3.00	6	Not Detected (Less Than 1)
	MASJID	8.60	Not Detected (Less Than 1)	Not Detected (Less Than 1)	2
	AL JURJANI	8.40	Not Detected (Less Than 1)	Not Detected (Less Than 1)	2

## SOCIAL

### Diversity

Zelan Group of Companies upholds equal opportunity, non-discrimination, and fair treatment for all employees, regardless of age, gender, ethnicity or nationality status. They create a diverse work environment, encourage teamwork and comply with the Malaysian Employment Act 1955. The Group supports projects and contracts with external contractors, reducing the need for a large in-house workforce.



## SUSTAINABILITY STATEMENT

### SOCIAL (CONT'D)

#### Board Diversity

The Board via the Nomination and Remuneration Committee (NRC), continuously reviews the size and composition of the Board to maintain effective governance at the Board level. Further details on this can be found on the Corporate Governance Overview Statement section. The Group also adhere to fair and objective hiring practices, ensuring non-discriminatory recruitment in appointing the new Directors for Zelan Group of Companies.

#### Percentage of Board and Employees by Gender and Age Group

Number (%)	31 December 2024				
	Gender		Age		
	Male	Female	<30	30-60	>60
Board of Directors	5 (83%)	1 (17%)	0(0%)	0(0%)	6 (100%)
<b>By Employee Category</b>					
Senior Management	1 (2%)	3(6%)	0 (%)	4 (8%)	0 (%)
Executives	33 (61%)	12 (22%)	17 (31%)	27 (50%)	1 (2%)
Non-Executives	3 (5%)	2 (4%)	0 (%)	5 (9%)	0 (%)
<b>Total</b>	<b>37 (68%)</b>	<b>17 (32%)</b>	<b>17 (31%)</b>	<b>36 (67%)</b>	<b>1 (2%)</b>

#### Percentage of Permanent Employee

	31 December 2024 (%)	
	Male	Female
Full-time permanent employee	9 (17%)	9 (16%)
Full-time contract-based employee	28 (52%)	8 (15%)

#### Percentage of Employee by Nationality

	31 December 2024 (%)	
	Male	Female
Malaysian	37 (69%)	17 (31%)
Non-Malaysian	N/A	N/A

SUSTAINABILITY STATEMENT

SOCIAL (CONT'D)

Percentage of Employee by Ethnicity

Malay employees make up to 96% of our workforce were Bumiputra, 2% Chinese 2% Indian.

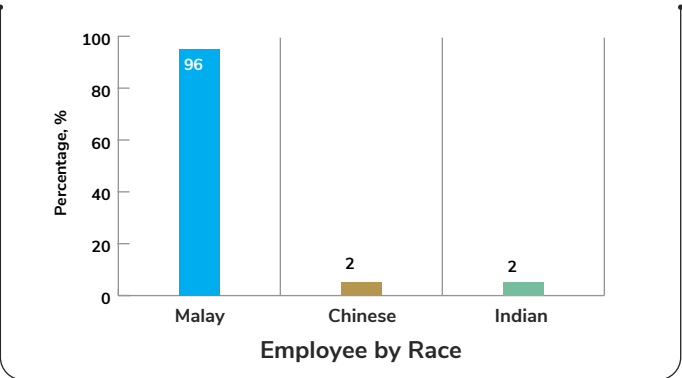


Figure 1

Percentage of Employee by length of service.

In the FYE 2024, our workforce varied in terms of the length of service. Approximately 63% of employees have served the Group for 1 to 4 years, while 9% have been with the Group for more than 5 years. 28% of our workforce has been working for more than 10 years. These new hires are primarily based at the Headquarters to provide support for projects.

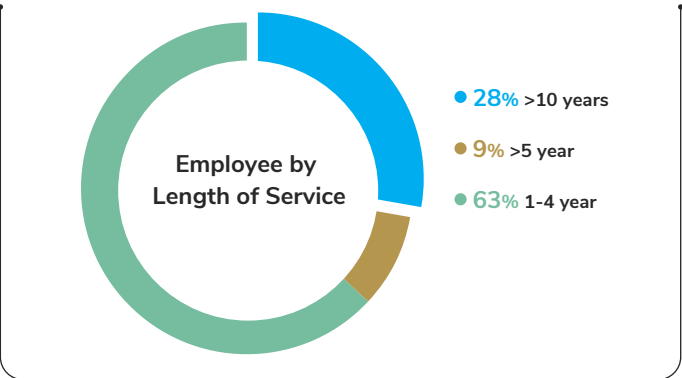


Figure 2

Training and Development

We provide ongoing learning and development opportunities, encompassing both technical and non-technical training, to help our employees enhance their knowledge and skills necessary for Construction and Non-Construction related segments.

Occupational Safety & Health (“OSH”) Awareness, Training and Safety Day

The Safety and Health welfare of the people are paramount to the Group. Therefore, to enhance safety awareness, the Group consistently provide OSH training and development programmes throughout the year for both employees and subcontractors. A series of on-the-job training sessions are conducted at project sites, covering topics like emergency response preparedness, safety operating procedures, working at height awareness, and environmental management systems. This ensures the employees are well-prepared and respond quickly in the event of emergencies, such as fire and explosion, chemical spillage and slope failure. Regular drills and briefings are also held to assess the effectiveness of site-specific Emergency Preparedness and Response Plan.





## SUSTAINABILITY STATEMENT

### SOCIAL (CONT'D)

In FYE 2024, a total of **115** of employees received training on health and safety standards at CFS IIUM Gambang meanwhile employees in Headquarters have received a total of **203** hours of training. The total hours of training attended organised by Company is **318** hours.

#### Training Attended by Employee Category

Employee Category	FYE 2024	FYE 2023
Senior Management	4 (8%)	4 (8%)
Executives	45 (83%)	44 (81%)
Non-Executives	5 (9%)	6 (11%)
<b>Total</b>	<b>54 (100%)</b>	<b>54 (100%)</b>

#### Employee Benefits

To further support its employees, the Group offers competitive compensation packages and comprehensive benefits, including medical coverage, Employees Provident Fund ("EPF"), Social Security Organisation ("SOCSO") coverage and other essential benefits. These efforts are designed to foster innovation, reward performance, and maintain employee morale, even during challenging times. By prioritising employee well-being and recognising their contributions, the Group not only enhances job satisfaction but also strengthens its ability to retain top talent. This focus on employee benefits plays an important role in our overall retention strategy, as it creates a supportive work environment where employees feel valued and motivated to stay. As a result of these efforts, we are able to effectively manage our workforce dynamics.

A summary of the number of turnover and new hires during the financial year is provided below:

Employee Category	31 December 2024	
	Turnover number	New hires number
Senior Management	2 (14%)	1 (7%)
Executives	4 (29%)	6 (43%)
Non-Executives	1 (7%)	0 (%)
<b>Total</b>	<b>7 (50%)</b>	<b>7 (50%)</b>

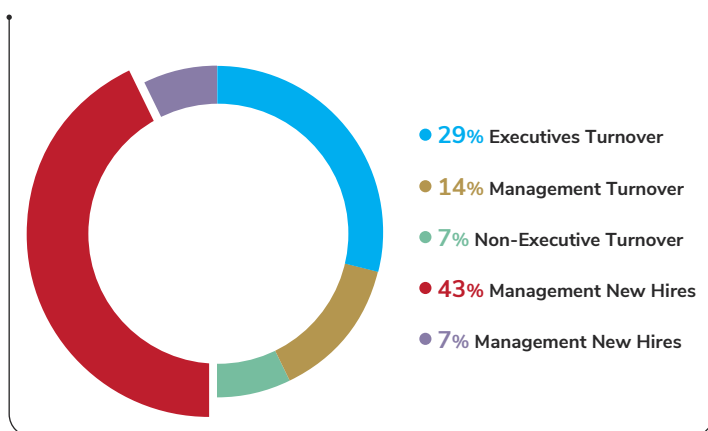


Figure 3

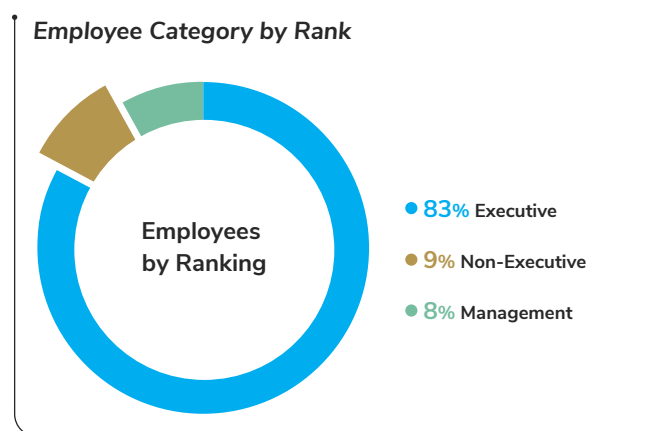


Figure 4



SUSTAINABILITY  
STATEMENT

SOCIAL (CONT'D)

In terms of workforce breakdown, Management level is at 8%, Executive Level is at 83% and Non-Executive Level is 9%.

Employee Labour Rights

Our company prioritizes employee support and a safe work environment, ensuring equal opportunities for career growth and a culture free from discrimination. The Group adhere to global labour standards and local regulations, ensuring secure and comfortable accommodations for their workers.

For the reporting year, the Group are pleased to announce that no substantiated complaints were received from any regulatory or official bodies in relation to violation to human rights of the workers.

	FYE 2024	FYE 2023
Number of substantiated complaints received	None Reported	None Reported

Occupational Health and Safety

The Group are committed to protect the health and safety of their workers, subcontractors, tenants and the public relation to their property management and development business. As a player in construction and property management, the Group adhere to the principal health and safety legislation in Malaysia, the Occupational Safety and Health Act 1994 (OSHA). As such, the Group ensure that individuals tasked with responsibilities involving significant safety hazards receive the necessary training and skills, in line with the Safety and Health Policy.

Coordination OSH Committee – Legal Authority (BOMBA & DOSH & Suruhanjaya Tenaga)

The Group adheres to the legal requirements outlined in the OSH regulations. It maintains strong networking and relationships with local authorities such as the Malaysian Fire and Rescue Department (“BOMBA”), the Department of Occupational Safety and Health (“DOSH”), and the Energy Commission (“ST”). The Group regularly conduct OSH training and Fire Drills to enhance workplace safety awareness among employees and ensure compliance with regulations mandated by BOMBA, DOSH and ST.



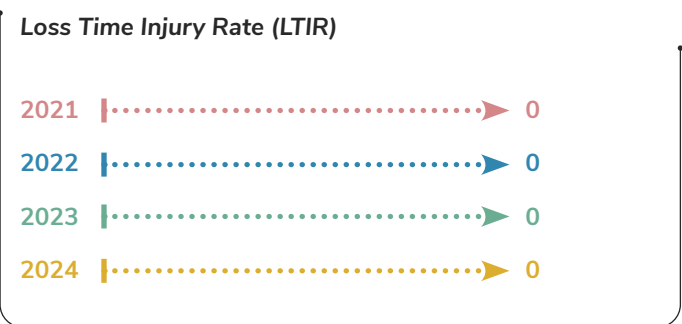


# SUSTAINABILITY STATEMENT

## SOCIAL (CONT'D)

### Workplace Accidents

For the year under review, the Group achieved project safety objective of zero Loss Time Injury Rate (“LTIR”). Throughout all the projects and workplaces, including the involvement in Asset Management Services (“AMS”) projects at the CFS IIUM Gambang, there were no recorded incidents. The LTIR report is updated annually as part of the requirements of Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupation Disease (“NADOPOD”) Regulation 2004, for submission of the Jabatan Kesihatan dan Keselamatan Pekerja (“JKKP”) 8 Form to DOSH. In addition, the Group achieved Zero LTIR for work-related employee and contactor fatalities over the last 4 years for the IIUM, Gambang and SUKE projects.



Employee Category	FYE 2024 (%)	FYE 2023 (%)
Work-related fatalities (number)	0	0
Lost time incident rate	0.00	0.00

### Health, Safety and Environment (“HSE”) Committee

In accordance with the Occupational Safety and Health Act 1994, HSE Committees are established at Group work sites. These Committees, headed by project leaders serving as Committee Chairmen, are supported by competent Safety Health Officers (“SHOs”). They are tasked with reviewing workplace HSE performance across projects, ensuring engineering, safety, security, and environmental control maintenance. HSE Committee meetings for AMS at CFS IIUM Gambang are held quarterly.

## 1. Business Ethics

Zelan Group of Companies has established a Code of Ethics and Conduct (“Code”) to set out the ethical standards and conduct that are expected of the Group and its employees. The Code is applicable to all employees and directors of the Group and is available on the Company’s corporate website, accessible to all parties. The Code addresses various topics on business ethics and conduct, requiring employees to conduct themselves in a professional manner, and is supported by other relevant policies of the Group including the Staff Employment Policy Handbook.

## 2. Data Security and Privacy

Directors and employees are required to protect confidential and sensitive information related to Group acquired during their employment. The Group directors and employees are also strictly prohibited from disclosing such information unless authorised or legally required. This obligation extends beyond the termination of employment. As a responsible organization, the Group must ensure the information related to the projects, customers, and consumers remains secure and confidential. In addition, the Group prioritise providing their employees with the necessary training to manage sensitive information effectively. By fostering a culture of vigilance and responsibility, the Group ensures that the workforce is well-prepared to safeguard the confidentiality of the projects, thereby reinforcing the trust that the customers and partners place in the Group. In FYE 2024, there were zero substantiated complaints concerning breaches of customer privacy and losses of customer data.

	FYE 2024	FYE 2023
Substantiated complaints concerning breaches of customer privacy and losses of customer data (number)	0	0

# SUSTAINABILITY STATEMENT

## COMMUNITY INVESTMENT

The Group recognise the importance of supporting the employees and the communities in which the Group operate. The Group continues to be dedicated to philanthropic endeavours by providing materials and financial resources to the community and other nonprofit groups. Through the project execution and AMS, the Group are also dedicated to maximise the use of local labour and resources in order to boost economic activity. The Group are committed to extending these benefits to the communities where it operates, enhancing their well-being while advancing the goals of sustainable growth and development, both internally and externally.

CFS organized The International Conference on Future and Sustainable Education (ICFSE 2024) on 16-17 July 2024, focusing on Empowering Tomorrow: Fostering the future beyond boundaries. The event, held in Malaysia and Indonesia, combined research paper publication with a poster competition, promoting knowledge exchange and sharing experiences. The AMS Team assisted in setting up the venue and the management sponsored the event for humanity's benefit.

CFS IIUM Gambang organized the CFS Ibadah Camp 2024 for all staff, consisting of three different phases. The AMS Team contributed by providing technical advisory support and resources for venue preparation, while the Management sponsored the event through funding allocated for this purpose. On 8 May 2024, the Management also sponsored the CFS Takrim Day, an occasion designed to express gratitude to all IIUM CFS employees, coinciding with the Jamuan Hari Raya Aidilfitri 2024 at Al-Khwarizmi Hall. Additionally, CFS IIUM's Staff Tennis Team participated in the 45<sup>th</sup> Kejohanan Sukan Staf Universiti Malaysia (SUKUM) held at the University Malaysia Sabah (UMS) from 8 August to 17 August 2024. In response to their request for sponsorship for this event, the Management agreed to provide financial support to further bolster CFS IIUM's initiatives.

### Local Community Performance

	FYE 2024	FYE 2023
Amount invested in the community (RM)	4,100.00	18,600.00
Beneficiaries of the investment in communities (estimated number)	350.00	2,500.00

## SOCIAL CORPORATE RESPONSIBILITY

### Customer Satisfaction

The Group are committed to upholding the standards of excellence by ensuring the quality execution of projects and meeting all customer deliverables as outlined in the contracts. Currently, the Group hold accreditations for ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health & Safety Management) for providing Design and Construction Services for Building and Civil Engineering Works, along with related Construction Management activities. In addition, the AMS division conducts customer service assessments four times a year by gathering feedback from all staff and students of CFS IIUM Gambang to ensure continuous improvement and satisfaction.

## CONCLUSION

Moving forward, the Group are committed to the continuous improvement of the sustainability strategy and continue to seek opportunities that arise while prioritising to the lifting of the Company's from Practice Note 17 ("PN17") status. We will develop and enhance our sustainability by setting appropriate KPIs and adhere to reporting standards for sustainability disclosures. The Group aim to remain aligned with the evolving needs of the stakeholders and the broader sustainability landscape.

### Caring for People and Environment

Through social events and leisure pursuits, the Group will also place a strong priority on staff development, preserving employee morale, and creating a balanced atmosphere. To secure a sustainable future and to less the environmental impact, we will place a high priority on environmental stewardship, cutting carbon emissions and adhering to relevant policies to ensure a sustainable future and minimize the environmental footprint.

## ASSURANCE STATEMENT

Information in this statement has not been assured by the internal audit function or any other external assurance provider as the Company has no new project. We will be more focus on Economic, Environmental and Governance once the Company's PN17 status is uplifted.



# SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	0.00
Executives	Percentage	0.00
Non-Executives	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	5,642.10
<b>Bursa (Waste management)</b>		
Bursa C10(a) Total waste generated	Metric tonnes	0.70
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.10
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.60
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	340,962.000000
<b>Bursa (Diversity)</b>		
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
Senior Management Between 30-60	Percentage	8.00
Senior Management Above 60	Percentage	0.00
Executives Under 30	Percentage	31.00
Executives Between 30-60	Percentage	50.00
Executives Above 60	Percentage	2.00
Non-Executives Under 30	Percentage	0.00
Non-Executives Between 30-60	Percentage	9.00
Non-Executives Above 60	Percentage	0.00
Gender Group by Employee Category		
Senior Management Male	Percentage	2.00
Senior Management Female	Percentage	6.00
Executives Male	Percentage	61.00
Executives Female	Percentage	22.00
Non-Executives Male	Percentage	5.00
Non-Executives Female	Percentage	4.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.00
Female	Percentage	17.00
Under 30	Percentage	0.00
Between 30-60	Percentage	0.00
Above 60	Percentage	100.00



# SUSTAINABILITY STATEMENT

## Bursa (Health and safety)

Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	115

## Bursa (Labour practices and standards)

Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	62
Executives	Hours	256
Non-Executives	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	2
Executives	Number	4

Indicator	Measurement Unit	2024
Non-Executives	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

## Bursa (Data privacy and security)

Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
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## Bursa (Community/Society)

Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	4,100.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	350

## Bursa (Emissions management)

Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	0.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00

Internal assurance   External assurance   No assurance

(\*) Restated



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Zelan Berhad (“Zelan” or the “Company”) recognises that corporate governance, ethical values and practices are essential and necessary to provide a framework for compliance of regulations and laws and best practices to enhance shareholders’ value, long-term sustainability and growth. In this context, the Board is wholly committed to ensuring high standards of corporate governance and ethics are implemented and practiced throughout the Group. The Board supports the principles expounded in the Malaysian Code on Corporate Governance 2021 (MCCG). This statement which provides an outline of the corporate governance practices of the Group pursuant to the principles set out in the MCCG for the financial year ended 31 December 2024 (“FY2024”), shall be read in conjunction with the Corporate Governance Report which is available on the Company’s website at [www.zelan.com](http://www.zelan.com).

This Corporate Governance Overview Statement (“CG Statement”) provides shareholders and investors with an overview of how Zelan Group of Companies has applied the 3 key Principles set out in the Code during the FY2024:



## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### A1. Board Responsibilities

The Board is committed to ensuring that the Company’s purpose, values and high standards are set from the level of Chairman and all Non-Executive Directors, with the support of the management team, embedded throughout the Group. The Board is responsible for the effective leadership and long-term success of the Group. In discharging its fiduciary duties and responsibilities, the Board is guided by its Board Policy Manual which outlines the roles and responsibilities of the Board. The Board also delegates certain responsibilities to the various Board Committees.

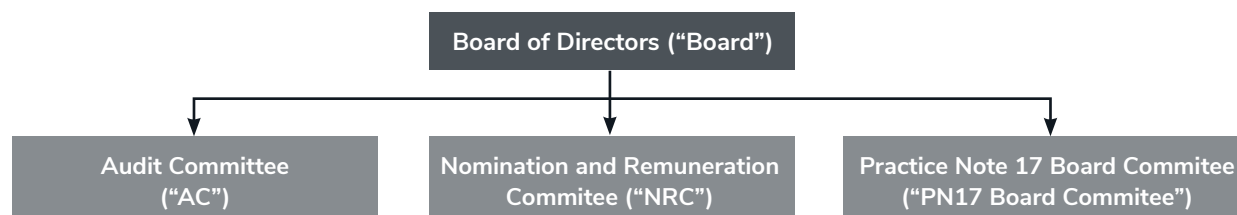
The Board leads the Group and plays a strategic role for the oversight and overall management of the Company. The Board’s key responsibilities include reviewing and approving strategic annual business plan and budget, overseeing the conduct of the Company’s business, investment proposals, compliance and accountability systems, core values and corporate governance practices of the Group in ensuring that the Group operates with integrity and in compliance with the rules and regulations. The Board Policy Manual is available at the Company’s website at [www.zelan.com](http://www.zelan.com).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### A1. Board Responsibilities (Cont'd)

The Group's corporate governance structure consists of a set of structures, policies and procedures. The fundamental of this structure is the Board that is supported by three (3) Board Committees to which the Board has delegated specific responsibilities, namely Audit Committee, Nomination and Remuneration Committee and Practice Note 17 Board Committee. The following diagram shows a brief overview of the three (3) Board Committees of the Company, each of which is explained in further detail in this Corporate Governance Overview Statement:-



The Board Committees are actively engaged and act as oversight committees. They evaluate and recommend matters under their purview for the Board to consider and approve. The Board also receives updates from the respective Chairman of the Board Committees on matters that have been discussed and deliberated at the respective meetings. The Board communicates its directions to Management through the Acting Chief Executive Officer ("ACEO"), who oversees the implementation. Management is responsible for the day-to-day management of the Group pursuant to the powers delegated by the Board, subject to compliance with the applicable laws and regulations.

The Board is responsible for the strategic direction, overseeing proper conduct of the Group's business, identifying principal risk and ensuring the implementation of systems to manage risks, succession planning, reviewing the adequacy and integrity of the Group's internal control systems and management information systems, establishing goals for management and monitoring achievement of these goals.

The Board is guided by the Board Policy Manual which acts as a source of reference and guideline to the Board for matters relating to the Board's organisation, responsibilities and procedures. The duties and responsibilities of the Board are as follows:

- Overseeing and evaluating the Group's strategic business plans, policies and performance which promote sustainability of the Group;
- Formulating succession plans for members of the Board and Management to ensure business continuity;
- Oversee and evaluate the conduct of business of the Company and the Group;
- Ensuring the integrity and effectiveness of the governance process of the Company as set out in the Malaysian Code of Corporate Governance;
- Ensuring that the Group has appropriate business risk management process, including adequate control environment be it the internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks;
- Establish a succession planning;
- Ensuring that there is in place an appropriate investor relations and communication policy which encourages shareholders' participation at general meetings and promotes effective communication and proactive engagement with shareholders;
- Review the adequacy and the integrity of the management information and internal controls systems of the Company and the Group; and
- Review and ensure that transaction entered into with a related party is fair, reasonable and not to the detriment of minority shareholders.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### A1. Board Responsibilities (Cont'd)

#### 1.1 Chairman of the Board

The Board is led by an experienced Chairman, who is accountable for ensuring the integrity and effectiveness of the governance process of the Board. The Chairman is primarily responsible for the orderly conduct of the Board meetings and ensure effectiveness of the Board as well as to ensure that all strategic and critical issues are discussed by the Board in a timely manner.

#### 1.2 Separation of the Positions of Chairman and Chief Executive Officer

On 21 November 2024, the Company appointed Puan Shareena binti Shahril as the Acting Chief Executive Officer of the Group, whom is responsible for the daily operation of the Group with the guidance from the Board of Directors.

The Acting Chief Executive Officer assumes the role of CEO, ensuring a balance of authority and power. The Chairman leads the Board, while the Acting Chief Executive Officer oversees daily business operations and strategy implementation, promoting accountability and preventing concentration of decision-making power.

The Board is chaired by Dato' Anwar bin Haji @ Aji, who is able to provide effective leadership, strategic direction and necessary governance to the Group. Dato' Anwar bin Haji @ Aji had:-

- (a) provided a leadership to the Board;
- (b) led Board meetings and discussion in a manner to encourage constructive discussion and effective contribution from each Director;
- (c) reviewed the minutes of the Board meetings and matters arising from the minutes have been addressed; and
- (d) encouraged active participation from each Director.

#### 1.3 Qualified and Competent Company Secretary

The Board is supported by an experienced and competent Company Secretary who is qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. The Company Secretary reports directly to the Board and plays an advisory role to the Board and Board Committees, particularly with regard to their policies and procedures and the Company's compliance with regulatory requirements, rules, guidelines and legislation, as well as the best practices of corporate governance. The Company Secretary provides support to the Board in ensuring that the applicable rules and regulations are complied with, as well as that the governance structure of the Group remains relevant and effective. The Company Secretary attends all meetings of the Board and Board Committees and ensures that meeting procedures are followed, and deliberations and proceedings at the meetings are accurately recorded and well-documented. The Company Secretary also ensure that all resolutions, confirmed minutes of the Board and Board Committees signed by Chairman.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### A1. Board Responsibilities (Cont'd)

#### 1.4 Access to Information and Advice

The Board has full and unrestricted access to all information within the Company on matters requiring information for deliberation. The Board may seek independent professional advice, at the Company's expense, if required in furtherance of their duties.

The notice of meeting is circulated at least seven (7) days prior to the meeting. The board papers are issued and emailed to members of Board in advance thus given sufficient time for the Board members to peruse the matters that will be tabled at the Board meeting and this enhances the overall decision-making process. Exceptions may be made for certain ad-hoc or urgent instances when Directors unanimously consent to a shorter notice period and elapsed timeframe for the provision of agenda papers.

The Acting Chief Executive Officer, Senior Manager Finance and Company Secretary would lead the presentation of board papers and provide comprehensive explanations of business plans, business performance, corporate proposals (if any), progress reports on operations in relation to the risk management and other pertinent issues.

The Board has full access to both internal and external auditors and received reports on audit findings via the Audit Committee. All matters raised, discussions, deliberations, decisions and conclusions including dissenting views made at the meeting are recorded in the minutes of meeting.

The Board is also regularly updated and kept informed by the Company Secretary and the Management on corporate disclosures and compliance with Company and Securities Regulations and Listing Requirements such as restriction in dealing with the Securities of the Company and updates on the latest developments in legislations and regulatory framework affecting the Group issued by the various regulatory authorities.

#### 1.5 Board Meetings

During the FY 2024, the Board met eleven (11) times, comprising four (4) Board scheduled meetings and seven (7) Special Board meetings. The record of attendance of each Director at Board meetings held during the FY 2024 are as follows:

Name of Director	Attendance
Dato' Anwar bin Haji @ Aji	11/11
Datuk Puteh Rukiah binti Abd Majid	11/11
Encik Suhaimi bin Halim	10/11
Encik Mohd Shukor bin Abdul Mumin	11/11
Encik Amalanathan a/l L. Thomas	11/11
Dato' Mohd Redza Shah bin Abdul Wahid (Appointed on 28 November 2024)	1/1



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### A1. Board Responsibilities (Cont'd)

#### 1.6 Code of Ethics and Conduct

The Board is committed to create a corporate culture that adhere to the best practices of corporate governance and to uphold high standard of corporate conduct. The Code of Ethics and Conduct (the Ethics Conduct) which set out the ethical standards and appropriate conduct at work adopted by the Group and is applicable to all employees and Directors of the Group.

The Ethics Conduct covers the areas of conflict of interest, confidential information, insider information and securities trading, protection of Group's assets and etc. The details of the Ethics Conduct are available for reference at the Company's website.

#### 1.7 Fit and Proper Policy

The Board has adopted a Directors' Fit and Proper Policy of the Company to ensure there are formal and transparent procedures for the appointment and re-election of directors of the Group of Companies. The Board is committed to ensuring that each of its directors has the character, integrity, experience, competence and time to effectively discharge his or her role as a director in tandem with good corporate governance practices. The details of the Directors' Fit and Proper Policy are available for reference on the Company's website.

#### 1.8 Whistleblowing Policy

The Board has established a Whistleblowing Policy to improve the overall organisational effectiveness and to uphold the integrity of the Group, which acts as a formal internal communication channel, where the staff may communicate in cases where the Group's business conduct is deemed to the contrary to the common values of the Group. The Group is committed to maintaining the highest possible standards of integrity, openness and accountability in the conduct of its businesses and operations within the Group and aspires to conduct its affairs in an ethical, responsible and transparent manner. The policy is intended to provide and facilitate a mechanism for any persons to report concerns related to any suspected and/or known misconduct, wrongdoing, corruption, fraud, waste and/or abuse of which they become aware and to ensure that the reporting person can report an allegation of such malpractice or misconduct in an appropriate manner and without fear of retaliation. All reports will be investigated promptly and dealt with fairly and equitably. Actions will be taken based on the nature of the allegation and may be resolved by agreed action. The details of the Whistleblowing Policy are available for reference on the Company's website.

#### 1.9 Anti-Bribery and Anti-Corruption

The Board has formalised an Anti-Bribery and Anti-Corruption Policy, which outlines the responsibilities of the directors, officers and employees of the Group to uphold all laws to combat bribery and corruption and the procedures on anti-bribery and anti-corruption. The details of the Anti-Bribery and Anti-Corruption Policy are available for reference on the Company's website.

#### 1.10 Environmental, Economic and Social

Zelan Group of Companies acknowledges the importance of sustainability relating to environmental, economic and social ("ESS") including their risks and opportunities to/for our Group. The Group continuously and constantly communicates the targets and performances of the ESS to all the shareholders of the Group regardless internally or externally. Detailed information pertaining to the sustainability of the Group can be found in the Sustainability Statement of the Annual Report 2024.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### A2. Board Composition

The Board currently comprises six (6) directors which consist of four (4) Independent Directors and two (2) Non-Independent Directors. The ratio of Independent Directors on Board of Zelan fulfils the requirements of Paragraph 15.02(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad which sets out that at least two (2) directors or 1/3 of the board of directors of a listed issuer, whichever is the higher, are Independent Directors.

The Board has established an evaluation procedure which is carried out to ensure that Independent Directors meet the criteria of Independent Directors set out in the MMLR and the effectiveness and contribution of each independent director. In the opinion of the Board as a whole, the Independent Directors have met the criteria set out in the MMLR. Each independent director has affirmed his independency and brings invaluable judgement to bear on issues of strategy, performance, allocation of resources, risk management, internal controls and standards of conduct for the Group.

#### 2.1 Independence

The Board supports the highest standards of corporate governance and the development of best practices for the Company. The concept of independence adopted by the Board is in line with the definition of an Independent Director under Paragraph 1.01 and Practice Note 13 of the MMLR of Bursa Securities, i.e. independent from management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgement. Independent Non-Executive Directors are required to voice their reservations of any Board decisions in areas such as policies and strategies which could be detrimental to the interest of the minority shareholders.

#### 2.2 Tenure of Independent Directors

In determining the independence of individual directors, the Board, through the Nomination and Remuneration Committee, conducts an assessment of the Independent Directors of the Company annually. The Board noted that the provisions of Practice 5.3 of the MCCG recommend that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, if the Board intends to retain as an Independent Non-Executive Directors ("INED"), it should justify and seek annual shareholders' approval. The Board has not adopted a formal policy which limits the tenure of its Independent Directors to nine (9) years. The Board believes that the length of service of the Independent Directors on the Board does not interfere with their exercise of independent judgment and acts in the best interest of the Group, notably in discharging their roles.

The Board takes cognizance that the MCCG recommends that a person can serve as an Independent Director for not more than a cumulative tenure of twelve (12) years. All long-serving Independent Directors must resign or be redesignated as Non-Independent Directors. In compliance with MCCG, two (2) directors i.e Dato' Anwar bin Haji @ Aji and Datuk Puteh Rukiah binti Abd Majid were re-designated as a Non-Independent Non-Executive Director which is on 20 March 2025 and 15 April 2025 respectively, in view that their tenure of Independent Non-Executive Director of the Company has exceeded 12 years.

#### 2.3 Boardroom Diversity

The Board comprises members with relevant experiences and expertise drawn from various fields such as engineering, corporate finance, accounting, public services, and legal. Together, the Board with their wide experiences and diverse academic backgrounds provide a collective range of skills, expertise and experience which is vital for the business direction of the Group. The composition of the Board is such that no individual or small group of individuals dominates the Board's decision-making.

The Board encourages and supports more women participation in the Company's decision-making positions whilst it continues to strive towards 30% women participation in the Board composition. Currently, there is one (1) women Director on the Board namely Datuk Puteh Rukiah binti Abd Majid. The Board will continue to evaluate the need for more Women Director.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### A2. Board Composition (Cont'd)

#### 2.4 Board Committees

The Board has established the following three (3) Board Committees to assist the Board to ensure orderly and effective execution of the roles and responsibilities of the Board:

- i) Audit Committee ("AC")
- ii) Nomination and Remuneration Committee ("NRC")
- iii) Practice Note 17 Board Committee ("PN17 Board Committee")

The Board has developed certain responsibilities and duties to the Board Committees which is clearly defined in the Terms of Reference. The Terms of Reference ("TOR") of the Board Committees is available at the Company website.

#### (a) Audit Committee ("AC")

The AC had discharged their functions and duties as set out in the TOR of the AC. The primary objectives of the AC are as follows:-

- to assist the Board in fulfilling its statutory and fiduciary responsibilities in examining and monitoring the Company and its subsidiaries' ("Group") management of business, financial risk processes, accounting and financial reporting practices;
- to determine the adequacy and effectiveness of the administrative, operational and internal accounting controls of the Group and to ensure that the Group is operating in accordance with the prescribed procedures, codes of conduct and applicable legal and regulatory requirements;
- serve as an independent and objective party from Management in the review of the financial information of the Group presented by Management for the distribution to shareholders and the general public;
- provide direction and oversight over the Internal and External Auditors of the Company to ensure their independence from Management; and
- to evaluate the quality of audits conducted by the Internal and External Auditors of the Group.

The Chairman of the AC and the Chairman of the Board are held by different individuals. This allow the Board to independently and objectively review the AC findings and recommendations. The composition of AC are as follows: -

Name	Designation	Directorship
Encik Suhaimi bin Halim	Chairman	Independent, Non-Executive Director
Datuk Puteh Rukiah binti Abd Majid	Member	Non-Independent, Non- Executive Director
Encik Amalanathan a/l L. Thomas	Member	Independent, Non-Executive Director

Encik Amalanathan a/l L. Thomas, a member of AC, is a member of the Malaysian Institute of Accountants ("MIA"), has vast experience in finance, internal controls and corporate advisory services to lead discussions and deliberations related to financial issues and to review results and statements.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### A2. Board Composition (Cont'd)

#### 2.4 Board Committees (Cont'd)

##### (b) Nomination and Remuneration Committee ("NRC")

The NRC comprises of three (3) members, namely as follows:-

Name	Designation	Directorship
Dato' Mohd Redza Shah bin Abdul Wahid	Chairman	Independent, Non-Executive Director
Encik Amalanathan a/l L. Thomas	Member	Independent, Non- Executive Director
Encik Suhaيمي bin Halim	Member	Independent, Non- Executive Director

The NRC had discharged its functions and carried out its duties as set out in the TOR of the NRC. The primary objectives of the NRC are as follows:-

- to review and approve the appointment of the members of the Board of Directors ("Board"), members of Board Committees, Independent Non-Executive Director, Acting Chief Executive Officer and management personnel;
- to review and recommend to the Board the remuneration packages for the Acting Chief Executive Officer and management personnel; and
- assessing the performance of the Board and Board committees and management personnel.

The TOR of the NRC is available for reference at the Company's website.

The NRC has undertaken the following activities in the discharge of its duties:

- reviewed the Directors who were due for re-election by rotation and/or re-appointment;
- reviewed the Board's required mix of skills, current size and composition, experience and other qualities including the core competencies which Independent Non-Executive Directors should bring to the Board;
- deliberated on the findings of the assessments and reported the findings to the Board; and
- assessed the appointment of new Independent, Non-Executive Director.

During the FY 2024, the NRC had met two (2) times.

#### Board Annual Evaluation and Effectiveness

During the FY2024, the Board, through the NRC, had carried out the annual assessment conducted internally and facilitated by the Company Secretary to review the effectiveness of the Board as a whole, Board Committees as well as the contribution of each individual director and assessment on the independence of the Independent Directors.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### A2. Board Composition (Cont'd)

#### 2.4 Board Committees (Cont'd)

##### (b) Nomination and Remuneration Committee ("NRC") (Cont'd)

###### Board Annual Evaluation and Effectiveness (Cont'd)

Based on the results of annual assessment, the Board was satisfied with the current composition of the Board and its committees in respect of their balanced mix of skills, experience and expertise, as well as individual director's personal attributes and contribution to the Board. The Directors will be evaluated based on the Board Evaluation Form and the results of annual assessment will be documented. The directors who are subject to re-election and/or re-appointment at the next Annual General Meeting ("AGM") shall be assessed by the NRC before recommendation is made to the Board and shareholders.

The NRC also will evaluate candidates for new appointment as Directors based on the fit and proper criteria before recommending to the Board for approval. The candidates will also be required to complete a self-declaration of fit and proper form and authorise the Company to perform background check, if necessary, which may cover previous employment verification, professional reference checks, education confirmation and/or criminal record and credit checks.

##### (c) Practice Note 17 Board Committee ("PN17 BC" Board Committee)

The PN17 Board Committee comprises of three (3) members, namely as follows:-

Name	Designation	Directorship
Dato' Anwar bin Haji @ Aji	Chairman	Non-Independent, Non-Executive Director
Dato' Mohd Redza Shah bin Abdul Wahid	Member	Independent Non- Executive Director
Encik Amalanathan a/l L. Thomas	Member	Independent Non- Executive Director

The PN17 Board Committee had discharged its functions and carried out its duties as set out in the TOR to deal with all matters relating to PN17 status of the Company including:-

- Making assessment on the capability of the Financial Advisor and to recommend to the Board for the appointment of Financial Advisor;
- Reviewing and assessing the proposal submitted by Financial Advisor on Regularisation Plan for the Company to be uplifted from PN17 status and submit recommendation for the Board approval;
- To work with any relevant parties in connection with Regularisation Plan to uplift from PN17 status.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### A2. Board Composition (Cont'd)

#### 2.5 Director's Training

All members of the Board have attended the Mandatory Accreditation Program organised by Bursa Malaysia Securities Berhad ("Bursa Malaysia") and are aware of the requirements of the Continuing Education Programme set by Bursa Malaysia. The Directors also receive further training from time to time, particularly on the relevant new laws and regulations and changing commercial risks.

During the financial year under review, Directors attended at least one (1) training session, either organised internally by the Company or externally, as follows:

No.	Training/Workshop/Seminar Attended	Organiser	Date
1.	Bursa Saham Mandatory Accreditation Programme II	Bursa Academy	23 January 2024
2.	District Cooling Conference Day	Malaysia District Cooling Association (MDCA)	31 January 2024
3.	Conflict of Interest	MBM Resources Berhad	7 February 2024
4.	Educational Work Trip to USA – Mayo Clinic	KPJ Healthcare Berhad	27 May 2024 - 7 June 2024
5.	Mandatory Accreditation Programme Part II	Institute of Corporate Directors Malaysia (ICDM)	22 July 2024 - 23 July 2024
6.	KPJ Integrity Summit 2024	KPJ Healthcare Berhad	29 July 2024
7.	INCEIF Discourse Series – Wakaf in Malaysia	INCEIF University	1 August 2024
8.	ICDM Group Mentoring Training	Institute of Corporate Director Malaysia	21 August 2024
9.	JCorp Forum Leadership	JCorp	27 August 2024
10.	Malaysia REIT Forum 2024	Malaysian REIT Manager Association	10 September 2024
11.	Sharing Session: MCMC & Partners on Innovation Centre & Digital Transformation for Healthcare	MCMC & Partners	26 September 2024 (BOD Retreat)
12.	Aligning Risk Management to Strategy and Purpose	Institute of Corporate Directors Malaysia (ICDM)	7 October 2024
13.	Effective Risk Management	Malaysian Institute of Management (MIM)	25 October 2024
14.	Malaysian International Healthcare (MIH) Megatrends	KPJ Healthcare Berhad & KKM	25 – 27 October 2024
15.	Budget 2025	Malaysian Institute of Management (MIM)	11 November 2024
16.	Malaysian Anti-Corruption Commission Act & Section 17A Corporate Liability Provision	Malaysian Anti-Corruption Commission	11 November 2024

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### A2. Board Composition (Cont'd)

#### 2.5 Director's Training (Cont'd)

As at 31 December 2024, four Directors have completed the MAP Part II on building high-impact boards for sustainable growth, a new mandatory onboarding programme by Bursa Securities which Directors are required to complete by 1 August 2025.

### A.3 Directors' Remuneration

The details of the Directors' remuneration comprising remuneration received/receivable from the Company for the FY 2024 are as follows:

Directors	Fees (RM)	Meeting Allowances for Board and Board Committees (RM)	*Other Allowances (RM)	**Benefit- In-Kind (RM)	Total (RM)
Dato' Anwar bin Haji @ Aji (Chairman)	99,000	15,000	291,000	56,687	461,687
Datuk Puteh Rukiah binti Abd Majid	76,000	27,000	-	-	103,000
Encik Suhaimi bin Halim	70,000	25,000	-	-	95,000
Encik Mohd Shukor bin Abdul Mumin	40,000	11,000	-	-	51,000
Encik Amalanathan L. Thomas	76,000	29,000	-	-	105,000
Dato' Mohd Redza Shah bin Abdul Wahid (Appointed on 28 November 2024)	3,716	2,000	-	-	5,716
<b>Total</b>	<b>364,716</b>	<b>109,000</b>	<b>291,000</b>	<b>56,687</b>	<b>821,403</b>

Notes:

\* Other Allowances comprises director's allowance, car allowance and entertainment allowance.

\*\* Benefit-in-kind comprises company driver, petrol, maintenance and mobile phone bill

#### 3.1 Remuneration of Senior Management

The Group is headed by Puan Shareena binti Shahril as Acting Chief Executive Officer.

The following are the Senior Management's remuneration for the FY 2024:

Ranges of Remuneration (RM)	Number of Senior Management
RM100,001 - RM 150,000	1

(The details of senior management's remuneration are not shown, as the Board considers the information of the said remuneration to be confidential, sensitive and proprietary. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to senior management's remuneration are appropriately served by disclosure in RM50,000 bands.)

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### B1. Audit Committee Composition

The Audit Committee primarily assists the Board in the review of financial reporting, internal control framework, risk management assessment and mitigation and evaluation of the performance and audit independence of the external auditors.

The Audit Committee comprises members from a wide range and diverse background in qualification, skills and experience necessary to discharge their duties. All of the members are financial literate and familiar with matters concerning property development and construction. All members of the Audit Committee have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices, and rules as and when required.

None of the current members of the Audit Committee is a former key audit partner of the auditors of the Group. Information on the Audit Committee is set out in the Audit Committee Report in this Annual Report

#### External Auditors

For the FY2024, the External Auditors has provided its written assurance to the Audit Committee that they are, and have been, independent through the conduct of the audit engagement in accordance with By-Laws of the Malaysian Institute of Accountants.

The Audit Committee and the Board are satisfied with the performance, competence and independence of the external auditors, Nexia SSY PLT, after considered the above appointment criteria for external auditors and the Board has recommended their re-appointment for shareholders' approval at the forthcoming Annual General Meeting of the Company.

The External Auditors of the Company attended six (6) meetings with the Audit Committee for the FY2024 to discuss their audit plan and audit findings on the Company's yearly financial statements. During the meetings, the Audit Committee members also held two (2) private sessions with the external auditors without the presence of the Management to enable exchange of views on issues requiring attention.

### B2. Risk Management and Internal Control

The Board together with Management have established a risk management and internal control framework which is essentially designed to identify the risks that could impede the performance of the Group with mitigation strategies which include planning and taking steps to reduce the probability of the risks and severity of the risks. Information on the risk management and internal control framework is set out in the Statement on Risk Management and Internal Control in this Annual Report.

### B3. Internal Audit Function

The Group's internal audit function is outsourced to a professional service firm, PKF Risk Management Sdn. Bhd. The internal auditors perform its functions with impartiality, proficiency and due professional care. It undertakes regular monitoring of the Group's key controls and procedures, which is an integral part of the Group's system of internal control. The internal audit reports are presented to the AC for its review and deliberation. The AC will be briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The internal auditors report directly to the AC to ensure independency.





# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### C1. Communication with Stakeholders

The Company recognises the importance of effective and timely communication with shareholders and investors to keep them informed of the Company's latest financial performance and material business/corporate matters affecting the Company and the Group. The responsibility for the release of announcements and information by the Company to Bursa Securities, lies with the Senior Finance Manager, the Directors and/or the Company Secretary within the prescribed requirements of the Listing Requirements. The Company utilises a number of formal channels of communication to effectively disseminate information to shareholders and other stakeholders, particularly via annual reports, quarterly financial statements, annual audited financial statements and announcements from time to time. As these announcements and information can be sensitive, they are only released after having been reviewed and approved by the Board. All these announcements and other information about the Company are available on the Company's website which shareholders, investors and public may access.

### C2. Conduct of Annual General Meetings ("AGM")

The AGM which is held once a year is the principal forum for dialogue with individual shareholders. At the Company's AGM, shareholders have direct access to the Board and are given the opportunity to ask questions during the AGM. The shareholders are encouraged to ask questions both about the resolutions being proposed or about the Company's operations in general. The Chairman of the Board also addresses the shareholders on the review of the Company's operations for the financial year and outlines the prospects of the Company for the new financial year.

The external auditors of the Company are invited to attend the AGM to answer any questions relating to the conduct of the audit and contents of the Auditors' Report.

The Company's upcoming AGM will be held at Komune Living & Wellness, No. 21, Jalan Tasik Permaisuri 2, Bandar Tun Razak, 56000 Cheras, Kuala Lumpur on Wednesday, 11 June 2025 at 10:00 a.m. The notice of the AGM to be issued at least 28 days prior to the date of the meeting in accordance with the Malaysian Code on Corporate Governance 2021.

### C3. Constitution of the Company

The Company had adopted a new Constitution pursuant to the provisions of the Act during the 43<sup>rd</sup> AGM held on 11 June 2019. The Company's Constitution defines the essential components of the structure of the Company and reins the relationship between the Company and its shareholders/shareholders. It regulates the manner in which a company is governed.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

Pursuant to paragraph 15.26(a) of the MMLR of Bursa Malaysia the Board has given its assurance that the financial statements are prepared in accordance with the Act and the applicable approved accounting standards for each financial year which gives a true and fair view of the state of affairs of the Group and the Company in a transparent manner at the end of the financial year and of the results and cash flows for the financial year. The Directors' Report for the audited financial statements of the Company and the Group is outlined on pages 62 to 66 of this Annual Report together with the details of the Company and the Group financial statements for the financial year 2024 which are set out on page 62-172 of this Annual Report.

## COMPLIANCE STATEMENT BY THE BOARD ON THE CORPORATE GOVERNANCE OVERVIEW STATEMENT

This statement on the Company's corporate governance practices is made in compliance with paragraphs 15.25 and 15.08A of the MMLR of Bursa Malaysia. Having reviewed and deliberated this statement, the Board is satisfied that to the best of its knowledge, the Company is substantially in compliance with the principles and practices set out in the Code as well as the relevant paragraphs under the MMLR of Bursa Malaysia for the financial year under review. Any practices in the Code which have not been implemented during the financial year would be reviewed by the Board and be implemented where practical and relevant to the Group's business.

This Corporate Governance Overview Statement is made in accordance with a Resolution of the Board dated 28 April 2025.



# AUDIT COMMITTEE REPORT

The Audit Committee ("AC") of Zelan Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2024 as follows:

## 1. MEMBERSHIP

The current composition of the Audit Committee is as follows:

Name of Director	Designation
Suhaimi bin Halim (Chairman)	Independent Non-Executive Director
Datuk Puteh Rukiah binti Abd Majid	Non-Independent Non-Executive Director
Amalanathan a/l L. Thomas	Independent Non-Executive Director

## ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2024, the Audit Committee met fourteen (14) times. The attendance of the Committee members is as follows:

Name of Director	Meetings Attended
Suhaimi bin Halim (Chairman)	14/14
Datuk Puteh Rukiah binti Abd Majid	14/14
Amalanathan a/l L. Thomas	14/14

The Audit Committee members also had two (2) private sessions with the external auditors without the presence of the management to enable exchange of views on issues requiring attention during the financial year under review.

The Company has complied with Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") which requires all members of the AC to be Non-Executive Directors with a majority of them being Independent Directors. No alternate Director is appointed as a member of the AC. All members of the AC are financially literate. The Chairman of the AC, Encik Suhaimi bin Halim is an Independent, Non-Executive Director. The Chairman of the AC is not the Chairman of the Board. Hence, the Company complied with Paragraph 9.1 of the Malaysian Code on Corporate Governance, 28 April 2021.

Encik Amalanathan a/l L. Thomas has been a member of the Malaysian Institute of Accountants ("MIA"). The AC has adopted a policy whereby no former partner of the external audit firm of the Company shall be appointed as a member of the AC before observing a cooling-off period of at least three (3) years. This policy had been codified in the Terms of Reference of the AC. The Terms of Reference of the AC is available for reference on the Company's corporate website at [www.zelan.com](http://www.zelan.com).

The internal auditors and the external auditors were invited to attend the AC meetings, when required, to explain and provide the AC with clarification on the activities involving their area of responsibilities. The AC Chairman briefs the Board on the proceedings of each AC meeting. The minutes of respective AC meetings were tabled at the subsequent meetings for confirmation.

# AUDIT COMMITTEE REPORT

## 2. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Term of Reference ("TOR") of the AC were approved by the Board to reflect the requirements of the applicable practices and guidance of the Malaysian Code on Corporate Governance ("the Code") 2021. Accordingly, AC discharged its functions and carried out its duties as set out in the TOR of the AC.

The TOR of AC is available for reference at the Company's website.

## 3. SUMMARY OF ACTIVITIES

In line with the TOR of the AC, the following activities were carried out by AC during the period under review:

- i) Reviewed the quarterly unaudited financial results and year-end financial statements of the Group before recommending for approval to the Board, focusing, amongst other matters on:
  - a) significant matters highlighted including financial reporting issues, significant judgements made by the management, significant and unusual events or transactions and how these matters were being addressed; and
  - b) compliance with accounting standards and other legal requirements.
- ii) Reviewed the external auditors' audit plan, scope of work and audit procedures to be adopted in the annual audit;
- iii) Reviewed and discussed with the external auditors the key audit matters raised from the results of the annual audit, management letter and audit report;
- iv) Reviewed the audited financial statements of the Group, which have been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") and Companies Act 2016 with the external auditors prior to submission to the Board for consideration and approval;
- v) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control, and recommended them to the Board for approval prior to the inclusion in the Annual Report;
- vi) Reviewed and approved the risk-based audit plan of internal auditors;
- vii) Reviewed and deliberated the internal audit reports tabled during the year, audit recommendations made and management's response to the recommendations. The AC briefed the Board on audit findings, sought clarifications from the Acting Chief Executive Officer on internal control matters and provided its opinions and recommendations on areas where improvements were needed;
- viii) Reviewed the results of the follow-up audits conducted by the internal auditors on the management's implementation of any audit recommendations made to ensure that corrective actions have been implemented in a timely manner; and
- ix) Reviewed, assessed and monitored the performance, competency and professionalism demonstrated by the external auditors. The AC was satisfied with the performance and audit independence of the external auditors and accordingly it was recommended to the Board for their re-appointment to be tabled for approval at the forthcoming Annual General Meeting.



## AUDIT COMMITTEE REPORT

### 4. TRAINING

During the period under review, all of the AC members have attended various seminars, training programmes and conferences. The list of trainings attended is disclosed in the Corporate Governance Overview Statement on pages \_\_\_\_ to \_\_\_\_ of the Annual Report.

### 5. INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to PKF Risk Management Sdn. Bhd. ("the Internal Auditors"), an independent consulting firm, to carry out internal audit services for the Group. Internal audit reports and follow-up review reports are presented, together with management's response and proposed action plans to the AC on a quarterly basis.

The Internal Auditors undertake internal audit functions based on the operational, compliance and risk-based audit plan approved by the AC. The risk-based audit plans cover the review of the key operational and financial activities including the efficacy of risk management practices, efficiency and effectiveness of operational controls and compliance with relevant laws and regulations. Scheduled audits are carried out on subsidiaries of the Company in accordance to the approved Internal Audit Plan. A risk-based methodology is adopted to evaluate the adequacy and effectiveness of the risk management, financial, operational and governance processes.

The cost incurred for the internal audit function of the Group for the FYE 2024 is RM76,000.00.

The internal audits conducted did not reveal any weakness which would result in material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

This AC Report is made in accordance with a Resolution of the Board dated 28 April 2025.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors ("Board") is pleased to present herewith the Statement on Risk Management and Internal Control ("SORMIC") which outlines the nature and scope of internal controls and risk management of the Company during the financial year ended 31 December 2024. This Statement is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of the Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD'S RESPONSIBILITY

The Board takes overall responsibility for oversight and is committed to maintaining a sound system of internal controls and effective risk management practices. The Board has established an on-going process for identifying, evaluating and managing the relevant and material risk of the Group. In discharging its responsibilities, the Board regularly reviews the results of this process, including risk mitigating measures taken by Management to address key risks. This includes reviewing the adequacy and integrity of financial reporting, operational, regulatory compliance and risk management procedures.

The Board affirms that this process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

The risk management and internal controls system is designed to manage and mitigate risks with significant adverse impact on the achievement of the Group business objectives and therefore, can only provide a reasonable and not absolute assurance against material misstatements, financial losses or fraud.

## RISK MANAGEMENT

The Company has established the Enterprise Risk Management ("ERM") Policy and Framework ("ERM Policy and Framework") since November 2014. The ERM Policy and Framework sets out the process for managing risks and outlines how the Management ensures risks are managed effectively and efficiently across the Group.

The objectives of the ERM Policy and Framework are as follows:

- provide a policy and organisational structure for the management of risks within the Group;
- define risk management roles and responsibilities within the Group and outline procedures to mitigate risks;
- ensure consistent and acceptable risk management practices throughout the Group;
- define the reporting framework to ensure clear communication on all risk management activities and reporting;
- detail the approved methodology for risk assessment; and
- provide centralised consolidation of risk management data and reporting.

The ERM Policy and Framework assists the Board in reviewing and assessing overall risks related to the Group's business. The principal responsibilities of the Board include the following:

- ensure continuous development of the risk management system in the Group and supervise the implementation of risk management in compliance with the ERM Policy and Framework;
- ensure that risks identified are reviewed on a quarterly basis by the Board;
- decide on the status and further action on matters arising with regards to the identified risks; and
- review and enhance the Group's risk assessment process and risk management structure to sustain the ERM Policy and Framework and support the ongoing achievement of risk management objectives.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board continues to take measures to further strengthen the Group's risk management system as one of the means to achieve the Group's business objectives. During the year under review, the Risk Management Report was presented to the Board on a quarterly basis.

### Board and Board Committees

The Board has delegated authority to various Board committees such as the Audit Committee ("AC"), Nomination & Remuneration Committee ("NRC") and Practice Note 17 Board Committee ("PN17 Board Committee") to enable them to oversee certain specific responsibilities based on clearly defined terms of reference. Any change to the terms of reference for any Board committee requires Board approval. Further information on the Board committees is included in the Corporate Governance Overview Statement.

### Anti-Bribery and Corruption

In line with the Group's policy against bribery and corruption, the Group has put in place the Anti-Bribery and Corruption policy ("ABC Policy") to manage the processes in relation to bribery and corruption risks in the Group. Amongst others, the ABC Policy sets out the business conduct of the Group's directors, employees and third parties who have dealings or transactions with the Group by requiring them to adhere to the Code of Business Ethics (Vendors and Business Associates), the signing of the integrity pledges by Vendors and Business Associates and the Whistleblowing Policy. The Group's Anti-Bribery and Corruption and Code of Ethics & Conduct (Directors and Employees) and the Whistleblowing Policy can be found at the Group website [www.zelan.com](http://www.zelan.com).

### Internal Audit Function

The Internal Audit ("IA") function is carried out by an external independent firm of auditors ("Internal Audit") which independently reviews the adequacy and integrity of the Group's systems of internal control in managing the key risks and report accordingly to the Audit Committee on a quarterly basis. Where any significant weaknesses have been identified as a result of the reviews, improvement measures are recommended to strengthen controls, with follow-up audits by Internal Audit to assess the status of implementation thereof by Management. A risk-based approach towards planning and conduct of audits was used by the Internal Auditors in prioritizing their review of the various risk areas of the Group.

The IA reviews the compliance with statutory/regulatory requirements, internal policies and procedures inclusive of the work processes/procedures for efficiency and effectiveness of the system of internal controls and risk management framework. The annual audit plan is reviewed and approved by the AC. The Internal Audit reports are tabled to the AC for review during its quarterly meetings.

In addition, the AC also reviews the internal audit functions with particular emphasis on the audit scope, the frequency of audits and the adequacy and knowledge of the resources. Further details of the activities undertaken by the AC are set out in the Audit Committee Report.

### ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Acting Chief Executive Officer that a review on the adequacy and effectiveness of the risk management framework and internal control system has been undertaken and the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## BOARD'S COMMITMENT

The structure of controls and operations will be continuously and gradually improved to ensure they remain adequate and relevant to the Company and Group activities. The Board remains committed to sustain a sound system of risk management and internal control and will, when necessary, recommend actions to further improve and enhance them.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirement of the Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, 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 the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system. AAPG 3 does not require the External Auditors to and they did not, consider whether this Statement covers all risk and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

## CONCLUSION

The Board has reviewed the adequacy and effectiveness of the system of risk management and internal control and that relevant actions have been or are being taken, as the case may be, to remedy any significant weaknesses identified from the review based on the outcome of observations raised by the Internal Auditors and External Auditors directly to the AC. The Board is of the view that the risk management and internal control systems are satisfactory with no significant internal control deficiencies or weaknesses that would result in material losses or contingencies to warrant disclosure in the Group's Annual Report for the financial year under review.

This Statement is made in accordance with the Resolution of the Board dated 28 April 2025.



# ADDITIONAL COMPLIANCE INFORMATION

## Utilisation of Proceeds

The Company did not raise any fund through any corporate proposal during the financial year. Therefore, there was no utilisation of proceeds for the financial year.

## Share Buy-Back

As at the date of this statement, the Company has not purchased any of its own shares.

## Options, warrants or convertible securities

No options, warrants or convertible securities were issued by the Company during the financial year.

## American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR") Programme

During the financial year, the Company did not sponsor any ADR or GDR Programme.

## Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management arising from any significant breach of rules/guidelines/legislation by the relevant regulatory bodies.

## Audit & Non-Audit Fees

During the financial year ended 31 December 2024, the amount of audit fees payable to the Company's External Auditors, Nexia SSY PLT (LLP0019490-LCA & AF002009) are as follows:

Details	Company
Statutory audit for Financial Year Ended 2024	RM340,000
Review of Statement on Risk Management and Internal Control	
<b>Grand Total</b>	<b>RM340,000</b>

## Profit Estimation, Forecast or Projection

There was no profit estimation, forecast or projection made or released by the Company during the financial year.

## Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

## Material Contracts

There was no material contracts entered into by the Company and/or its subsidiary companies involving Directors' or major shareholders' interests, during the financial year under review.

## Contracts Relating to Loan

During the financial year under review, there were no contracts relating to loan by the Company involving Directors and major shareholders.