



NüEnergy

NUENERGY HOLDINGS BERHAD
199101019353 (229690-K)



Annual Report 2024

TABLE OF CONTENTS

CORPORATE INFORMATION	002	AUDIT & RISK MANAGEMENT COMMITTEE REPORT	049
CORPORATE STRUCTURE	003	NOMINATION & REMUNERATION COMMITTEE	052
GROUP FINANCIAL HIGHLIGHTS	004	STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL	054
CHAIRMAN'S STATEMENT	005	STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS	057
MANAGEMENT DISCUSSION AND ANALYSIS	007	REPORTS AND FINANCIAL STATEMENTS	059
SUSTAINABILITY STATEMENT	009	PROPERTIES OF NUENERGY	132
BOARD OF DIRECTORS' PROFILES	032	ANALYSIS OF SHAREHOLDINGS	133
GROUP MANAGEMENT PROFILES	036	NOTICE OF ANNUAL GENERAL MEETING	136
CORPORATE GOVERNANCE OVERVIEW STATEMENT	037	STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING	141
OTHER DISCLOSURES	048	ADMINISTRATIVE GUIDE	
		FORM OF PROXY	

CORPORATE INFORMATION

Board of Directors

Tang Ming Yng

Chairman
Executive Director

Tang Weihann

Chief Executive Officer
Executive Director

Dato' Wan Hashim bin Wan Jusoh

Independent Non-Executive Director

Wan Azfar bin Dato' Wan Annuar

Independent Non-Executive Director

Soh Eng Hooi

Independent Non-Executive Director

Jamilah binti Kamal

Independent Non-Executive Director

Mohd Ihwan bin Mohamed Yassin

Independent Non-Executive Director

Audit and Risk Management Committee

Chairman
Soh Eng Hooi

Member
Wan Azfar bin Dato' Wan Annuar
Dato' Wan Hashim bin Wan Jusoh

Nomination and Remuneration Committee

Chairman
Wan Azfar bin Dato' Wan Annuar

Member
Soh Eng Hooi
Dato' Wan Hashim bin Wan Jusoh

Company Secretary

Wong Youn Kim
MAICSA 7018778
SSM PC No. 201908000410

Ching Chun Keong
MAICSA 7073630
SSM PC No. 202308000092

Registered Office

M-1F-1, M-1F-2 & M-1F-3
Pusat Perdagangan Kota Damansara
No. 12, Jalan PJU 5/1
Kota Damansara, 47810 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-61516278
Email : investorrelation@nuenergy.com.my

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad
Stock Code : 5614

Share Registrar

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Tel : 03-7890 4700 (Helpdesk)
Fax : 03-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

Auditors

Messrs Baker Tilly Monteiro Heng
PLT LLP0019411-LCA & AF 0117
Chartered Accountants
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Solicitors

Messrs Kadir, Andri & Partners
Suite A-38-8, Level 38
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

Principal Bankers

AmBank (M) Berhad
Level 48, Menara AmBank
No. 8, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Malayan Banking Berhad
66, Jalan USJ10/1B
UEP Subang Jaya
47620 Subang Jaya
Selangor Darul Ehsan

United Overseas Bank (Malaysia) Berhad
48, Jalan PJU 5/8, Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

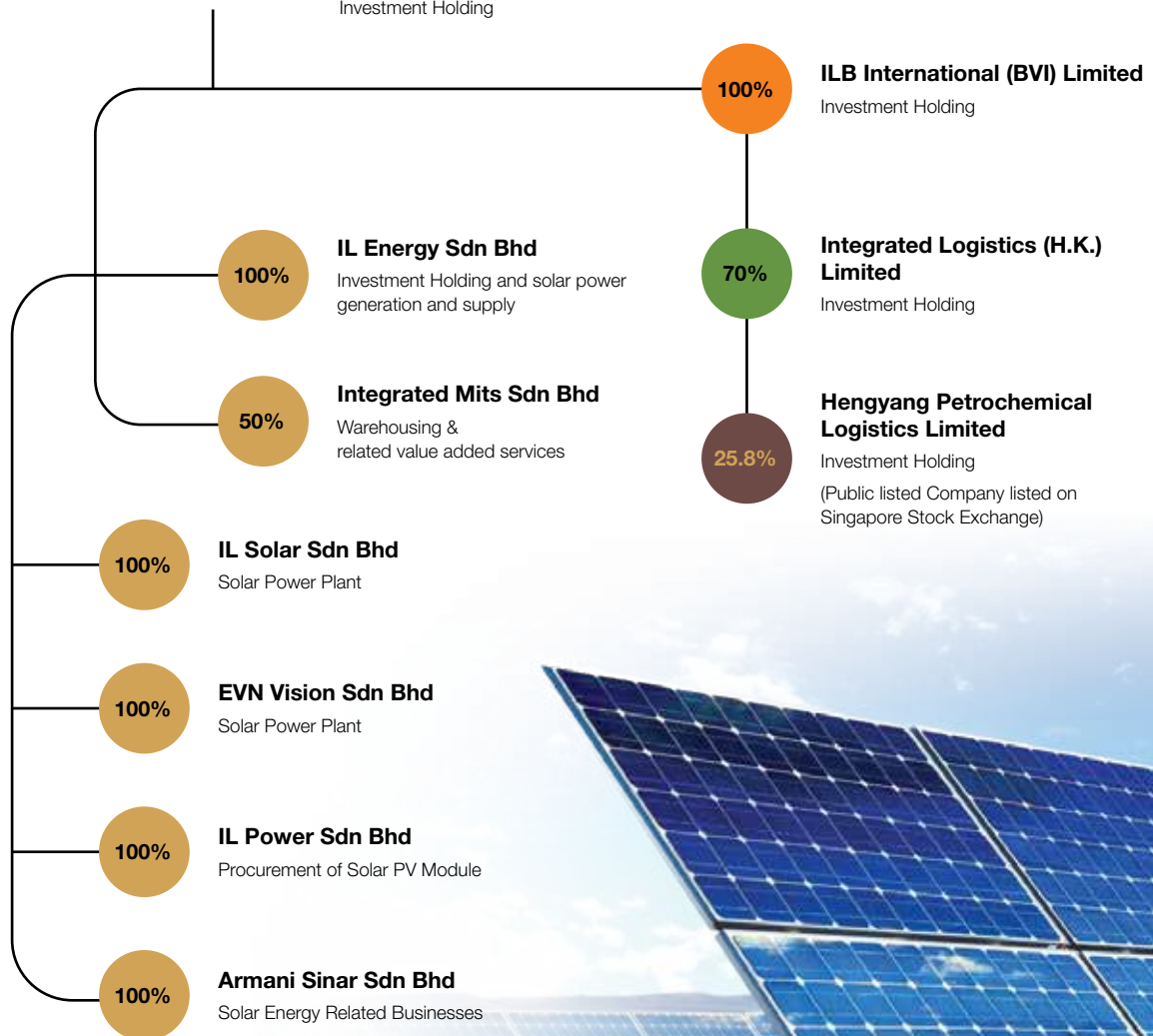
CORPORATE STRUCTURE

AS AT 31 DECEMBER 2024



NuEnergy

NuEnergy Holdings Berhad
Investment Holding



- Malaysia
- British Virgin Islands
- Hong Kong
- Singapore

GROUP FINANCIAL HIGHLIGHTS

	2020 RM '000	2021 (Restated) RM '000	2022 (Restated) RM '000	2023 RM '000	2024 RM '000
Turnover	12,592	14,761	16,275	46,181	12,222
Profit/(Loss) before tax	50,825	13,011	(1,369)	747	(8,649)
Net Profit/(Loss) Attributable to Shareholders	34,453	8,322	299	198	(6,787)
Paid-up Capital	225,671	225,671	225,671	225,671	225,671
Total Assets	309,226	304,591	294,469	263,004	277,957
Shareholders' Funds	214,792	224,831	223,395	224,121	214,404
Net Earnings/(Loss) Per Share (sen)	18.2	4.4	0.2	0.1	(3.6)
Net Assets Per Share After Non-Controlling Interests (RM)	1.14	1.19	1.18	1.19	1.14
Gross Dividend (%)	2.5	–	–	–	–
Share Price as at 31 Dec (RM)	0.560	0.375	0.460	0.740	0.495

Chairman's Statement

Dear Valued Shareholders,

*On behalf of the Board
of Directors, I am pleased to
present the Annual Report
and the Audited Financial
Statements of
the Group and the Company
for the financial year
ended 31 December 2024.*

CHAIRMAN'S STATEMENT

CONT'D

BUSINESS REVIEW

The Group's operating segment is solar energy and related businesses.

For the current financial year ended 31 December 2024 ("**FYE 2024**"), the Group reported revenue of RM12.22 million, a decline of 73.5% compared to RM46.18 million in the corresponding period of the preceding year ("**FYE 2023**") from continuing operations.

This decrease is mainly attributed to lower revenue from the Group's solar energy and related business segment in Malaysia, which was affected by the procurement of solar PV modules in the prior year.

However, this was partially offset by the team's efforts in securing new solar rooftop projects and other related ventures, following the acquisition of Armani Sinar Sdn. Bhd. Despite the drop in revenue, the Group's gross profit ("**GP**") increased slightly to RM4.47 million, compared to RM4.46 million in the prior year, mainly due to higher GP margins from construction revenue associated with new projects.

MOVING FORWARD

Moving ahead, the Group will actively invest and implement projects which complement the government's initiatives to reduce carbon footprint.

The Malaysian government has updated the Solar Self-Consumption program to facilitate the energy transition and uphold corporate Environment, Social, and Governance (ESG) as well as carbon reduction goals. The revised policy eliminates the 85% capacity restriction for non-domestic users, broadening the program to encompass ground-mounted and floating solar systems, with eligibility now extended to the agricultural sector. Furthermore, the updated program requires the incorporation of Battery Energy Storage Systems (BESS) to improve grid stability and manage intermittency. These changes present substantial opportunities for NHB to expand our influence across various industries, and NHB is strategically positioned to take advantage of these prospects.

This year, Bursa Malaysia introduced and reclassified NHB to Renewable Energy (RE) subsector within its classifications for the 'Energy' and 'Utilities' sectors. This updated classification offers a clearer and more concentrated market positioning to boost our visibility in the market, setting us apart as a leading competitor. This exposure is anticipated to draw in a wider range of investors who resonate with our goal of promoting sustainability and innovation.

Globally, we are witnessing an ongoing worldwide energy shortage, environmental crisis and rising energy costs. Along with this, we see rising concern for climate change and sustainability, and increased ESG considerations.

In a rapid evolving and competitive environment, we remain highly committed to continuously strengthening synergies on our focus in renewable energy industry. With the Group's proven track record in implementing and operating solar projects coupled with the improved cashflow, we are well positioned to scale up our solar businesses to generate higher sustainable earnings for the Group.

APPRECIATION AND ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to thank and express our deepest appreciation to the management team and our employees, for their tremendous efforts and contribution during this challenging time. Last but certainly not least, I would like to express our appreciation to our valued customers, business partners, bankers, government departments and agencies, shareholders & stakeholders for their continuing support to the Group. With this continuous support from all parties, we will dedicate our efforts to improve profitability and enhance shareholders' value.

TANG MING YNG

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE OVERVIEW

The Group's resilient performance for the financial year ended 31 December 2024 was mainly driven by the steady growth in Solar Photovoltaic ("PV") industry. Propelled by our desire to grow the renewable energy industry, we seek to expand our operations leveraging on the deeply rooted experience backed by long established track records.

The Group is currently operating a total capacity of 16.33MWac of solar plants and solar projects in Malaysia and will pursue and commit to increase its investment in the solar renewable energy business with the objective to increase its market share in this industry.

In line with our growth strategy, IL Energy Sdn. Bhd., a wholly-owned subsidiary of NHB, had achieved into the following:

- Completed the acquisition of 1,000,000 ordinary shares in Armani Sinar Sdn. Bhd. ("**ASSB**"), representing 100% equity interest in ASSB for a purchase consideration of RM30,000,000 in cash on 27 September 2024.
- Entered into Sale and Purchase Agreement with Armani Energy Sdn. Bhd. ("**AESB**") for the proposed acquisition of the solar photovoltaic energy generating system of AESB for a purchase consideration of RM68,000,000 in cash.

These strategic acquisitions further bolster our position in the solar energy market and underscore our commitment to driving sustainable growth and enhancing our renewable energy portfolio.

FINANCIAL PERFORMANCE REVIEW

Financial Year Ended 31 December			
RM million	2024	2023	Changes
Revenue	12.22	46.18	(73.5%)
Gross Profit	4.47	4.46	0.2%
(Loss) / Profit Before Tax	(8.65)	0.75	(1,253.3%)

For the current financial year ending 31 December 2024 ("**FYE 2024**"), the Group reported revenue of RM12.22 million, a decline of 73.5% compared to RM46.18 million in the corresponding period of the preceding year ("**FYE 2023**") from continuing operations. This decrease is mainly attributed to lower revenue from the Group's solar energy and related business segment in Malaysia, which was affected by the procurement of solar PV modules in the prior year.

However, this was partially offset by the team's efforts in securing new solar rooftop projects and other related ventures, following the acquisition of Armani Sinar Sdn. Bhd. Despite the drop in revenue, the Group's gross profit ("**GP**") increased slightly to RM4.47 million, compared to RM4.46 million in the prior year, mainly due to higher GP margins from construction revenue associated with new projects.

Group's loss before tax from continuing operation for FYE 2024 amounted to RM8.65 million, a significant decline from the RM0.75 million profit recorded in FYE 2023. The net increase in loss of RM9.40 million was mainly due to the following: -

	2024 (RM'million)
Net increase in loss (inclusive of finance income/cost)	1.59
Decreased in value from Investment in Associate	7.81
Net increase in loss before tax	9.40

The Group net loss from continuing operations attributable to shareholders for FYE 2024 was RM6.79 million compared to its preceding year profit of RM0.20 million.

The (loss)/earnings per share decreased to (3.6) sen in FYE 2024, compared to earnings of 0.1 sen in FYE 2023.

CHALLENGES TO OPERATING ACTIVITIES

One major operational challenge faced by the Group is the increasing competitive market over the recent years and continuous evolution of the industry. The Group faces competition from both local and international competitors, which resulted in competitive pricing in the market. To overcome these challenges by emphasizing on the quality of the solar PV system offered at an attractive price.

To achieved that, our Group implement effective procurement system which include bulk purchase of solar PV modules and ensuring availability of sufficient labour to execute projects through regular meetings with customers and contractors to discuss on the project schedule and implement plans accordingly.

Adequate working capital for procurement is essential to prevent any disruption in project progress due to insufficient of funds. The Group's internal funds and available banking facilities has enabled the Group to procure the necessary materials required efficiently.

MANAGEMENT DISCUSSION AND ANALYSIS

CONT'D

CHALLENGES TO OPERATING ACTIVITIES (CONT'D)

In addition, the Group is actively approaching public and private entities to secure solar energy projects through the Supply Agreement with Renewable Energy to increase its revenue levels in this solar renewable energy business segment.

BUSINESS RISKS

The Group has charted its growth in solar industry while remains cognisant of its risk factors and continues to closely monitor its financial, business, operational and strategic risks. The Group has identified and put in place mitigation initiatives to mitigate the risks identified.

The business nature of solar industry is subjected to various regulations and policies set by the authorities. As part of the mitigation initiative, the team constantly monitor for updates through local authorities' official platforms as well as engage with the relevant business associations for latest development.

In addition, the nature of solar PV Engineering, Procurement, Construction and Commissioning ("**EPCC**") works is project based and therefore, posing a risk that we may not be able to sustain our continued business growth unless we continue to secure numerous EPCC solar PV projects. To minimize the risk exposure, our Group consistently explores to venture into Supply Agreement with Renewable Energy (SARE) projects with the aim to sustain long-term recurring revenue stream.

MOVING FORWARD

Malaysia's RE sector is undergoing a significant transformation, fuelled by the country's growing dedication to sustainability and global decarbonization goals. In light of the increased emphasis on shifting towards cleaner energy sources, the government has implemented forward-thinking policies and initiatives aimed at expediting the adoption of renewable energy technologies.

The Malaysian government has updated the Solar Self-Consumption program to facilitate the energy transition and uphold corporate Environment, Social, and Governance (ESG) as well as carbon reduction goals. The revised policy eliminates the 85% capacity restriction for non-domestic users, broadening the program to encompass ground-mounted and floating solar systems, with eligibility now extended to the agricultural sector. Furthermore, the updated program requires the incorporation of Battery Energy Storage Systems (BESS) to improve grid stability and manage intermittency. These changes present substantial opportunities for NHB to expand our influence across various industries, and NHB is strategically positioned to take advantage of these prospects.

This year, Bursa Malaysia introduced and reclassified NHB to Renewable Energy (RE) subsector within its classifications for the 'Energy' and 'Utilities' sectors. This updated classification offers a clearer and more concentrated market positioning to boost our visibility in the market, setting us apart as a leading competitor. This exposure is anticipated to draw in a wider range of investors who resonate with our goal of promoting sustainability and innovation.

The Group will continue to put in effort to reap the business opportunities in the solar photovoltaics industry in Malaysia to achieve growth in revenue and net profit. At the same time, improve sustainability/environmental, social and governance (ESG).

The management would like to express their gratitude to the Board of Directors, shareholders, clients, business partners, contractors and financiers for their support.



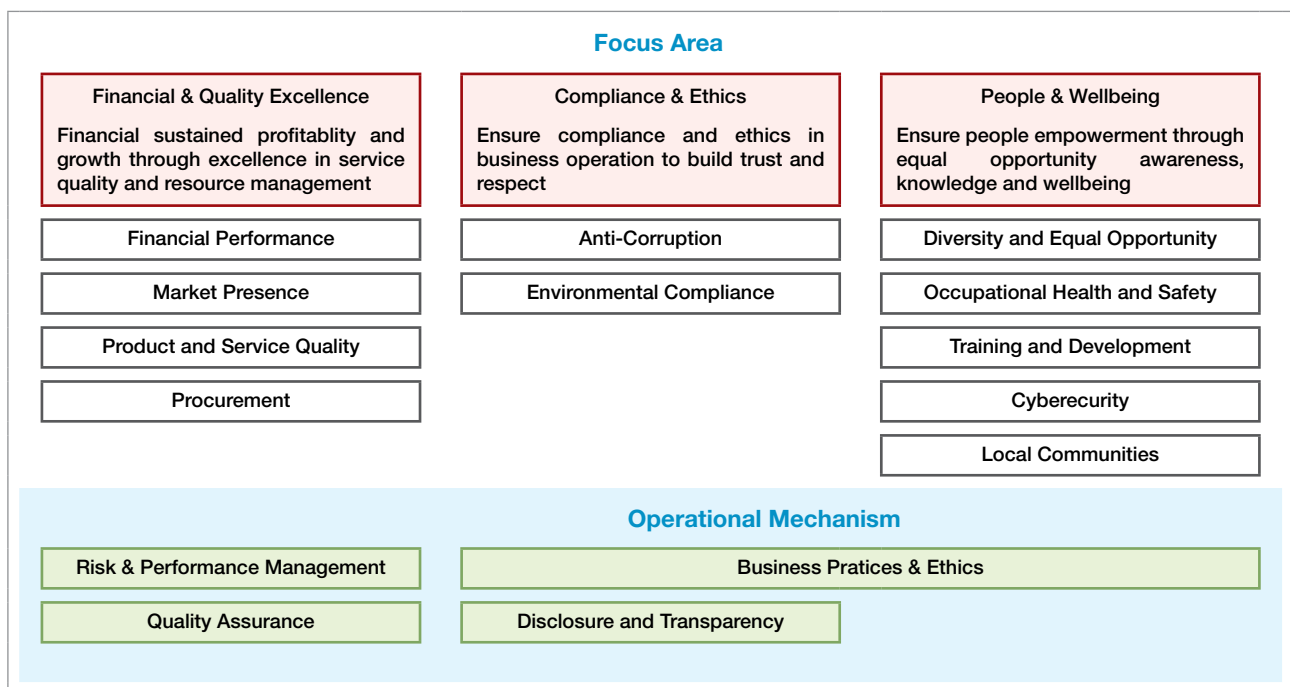
SUSTAINABILITY STATEMENT

INTRODUCTION

NuEnergy Holdings Berhad (formerly known as ILB Group Berhad) (“**NHB**”) is a renewable energy champion that provides alternative source to energy generation mainly through solar power. Having its root in the logistics and warehousing business, the Group has transitioned from warehousing business into the renewable energy industry to support the national agenda to focus on renewable energy for generation of electricity.

With an aspiration of becoming a leading industrial player, we are delighted to disclose the overview of the Economic, Environmental and Social (“**EES**”) material matters relevant to our Group and the steps taken to address the matters. Sustainability has been a matter of utmost importance to us as it challenges our capabilities and explore our potential in the business operation while demonstrating prudence and care for the environment and stakeholders. Our contributions reflect our sincere efforts in striving to improve our stakeholders’ lives economically and socially in a healthy environment besides technological advancement.

The following pictorial summarises the alignment of our operational activities to our Group’s sustainability focus areas that contributes to the achievement of our vision and mission:



Our vision is to provide excellent sustainable energy as an alternate source of energy and our mission is to improve the quality of life through the utilisation of solar energy and the improved environment resulting from the reliance on sustainable energy. We progress towards achievement of our vision and mission by identifying sustainability focus areas. The sustainability focus areas are addressed through the material matters that drives goal setting to address the individual matters that contributes to the achievement of our vision and mission. The operational mechanism depicts our action plan to deploy appropriate tools, standards, and policies to achieve targets derived from the material matters.

Reporting Standards

This Sustainability Statement has been prepared in accordance with the following sustainability guidelines, standards and frameworks as follows:

- Practice Note 9 of the Main Market Listing Requirements
- Sustainability Reporting Guide, 3rd Edition
- Global Reporting Initiative (“GRI”), 2021
- Malaysia Code of Corporate Governance, Updated April 2021

SUSTAINABILITY STATEMENT

CONT'D

INTRODUCTION (CONT'D)

Reporting Scope

This Sustainability Statement covers the sustainability activities and performance for the financial period from 1 January 2024 to 31 December 2024 and covers NHB's solar renewable energy division based in Malaysia as it is the primary business activity of the Group.

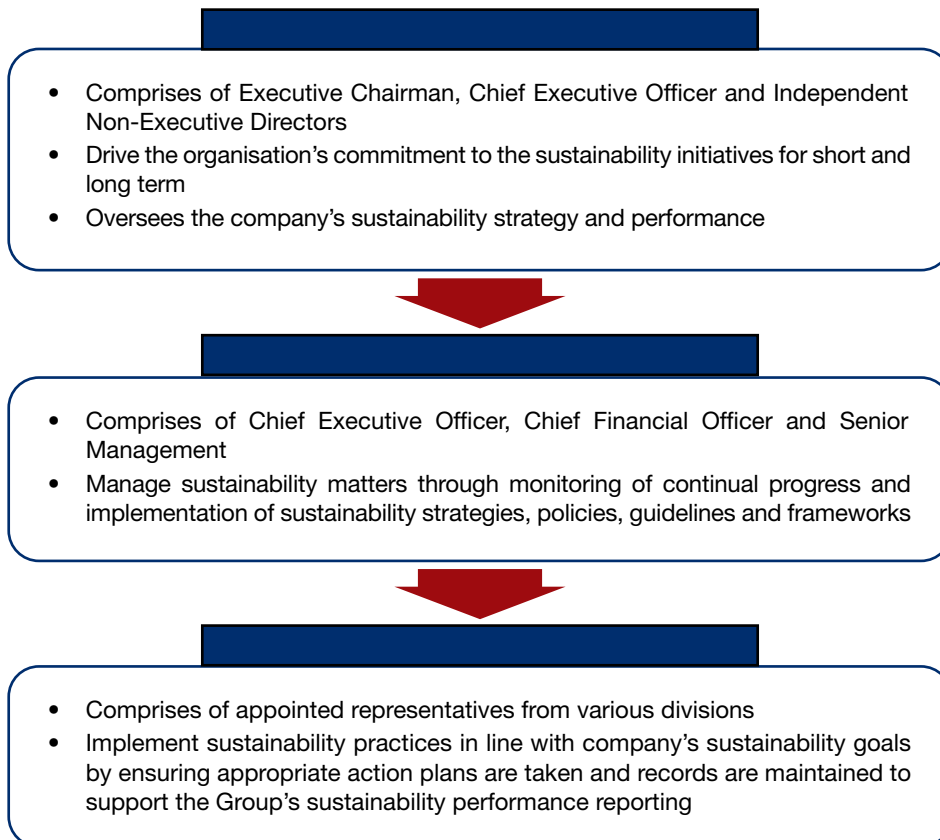
Feedback

We value your feedback on this Report and any matters described herein. Inquiries, comments and suggestions regarding the content of this Report may be emailed to us to investorrelation@nuenergy.com.my.

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance

We have a devoted line of leadership that strive to attain our sustainability goals. The focus remains on managing the day-to-day activities integrated with sustainability practices in the supervision of committed leaders motivated to create value for the Group and the stakeholders by achieving the sustainability goals.



OUR APPROACH TO SUSTAINABILITY (CONT'D)

Sustainability Governance (Cont'd)

The Board of Directors had met four (4) times in a meeting for FY2024 on quarterly basis. The Board had reviewed and approved changes in internal management practices, updates on Environmental, Social, Governance (ESG) matters, review of audit outcomes, potential business opportunities and reviewed performance of the Group every quarter for example, information on energy generation, projects in pipeline, financial statements, policies, employee trainings, community engagement activities and other matters.

The Management Committee had met every weeks once or on ad-hoc basis to review and monitor implementation progress of sustainability plans and strategies for the year (covered in detail in the "Market Presence" section). The Committee reviews and approves budget for insurance coverage package for employees, financial analysis for ongoing projects, repair and maintenance work at solar farm site, amendment in employee handbook, and changes to internal practices.

The Operational Management are informal divisional meetings to address arising matters. The teams meet on ad-hoc basis to address updates and progress at the divisional level.

Policies Good Governance

NHB has implemented policies to guide the internal stakeholders in carrying out daily business activities. Following are the policies, but not limited to, supporting the Group's goal of upholding highest ethical standards, excellence in leadership and enhancement of relationship with external stakeholders through loyalty, trust and integrity emulated in the business practices:

 <p>Anti-Bribery and Anti-Corruption Policy</p>	 <p>Whistleblowing Policy</p>	 <p>Code of Ethics for Company Directors</p>
 <p>Anti-Bribery and Anti-Corruption Policy</p>	 <p>Quality, Health, Safety & Environmental (QHSE) Policy</p>	 <p>Human Resources & Employee Policy Handbook</p>

SUSTAINABILITY STATEMENT

CONT'D

Stakeholders Management

Our relationship with our stakeholders is crucial to sustain our business operations as various stakeholders play differentiated roles to support our business continuity. We strive to align our organisational practices with the needs of our stakeholders by engaging with them. The following engagement channels have enabled us to address the unique interests of our stakeholders and respond to their needs with our enhanced business practices:

Stakeholders	Engagement Channels	Frequency	Areas of Interest	Our Response
Shareholders & Investors	<ul style="list-style-type: none"> Financial announcement and reporting Meetings and briefings Corporate website 	<ul style="list-style-type: none"> Annually Quarterly 	<ul style="list-style-type: none"> Financial Performance Regulatory compliance Corporate governance Ethical business conduct Internal Control and risk management 	<ul style="list-style-type: none"> Emphasis on strong anti-bribery and corruption policy and practices Monitoring and management of sustainability performance and targets Emphasis on market presence through on-going, medium and long term plans
Customers	<ul style="list-style-type: none"> Quality and performance assessment Progress meetings and updates 	<ul style="list-style-type: none"> Annually Periodically 	<ul style="list-style-type: none"> Quality of service Product development and innovation 	<ul style="list-style-type: none"> Emphasis on quality of product and service through attentive customer service and provision of quality products for affordable price
Vendors & Suppliers	<ul style="list-style-type: none"> Supplier performance evaluations Meetings and discussions 	<ul style="list-style-type: none"> Annually Ad-hoc 	<ul style="list-style-type: none"> Sustainable and fair procurement practices Anti-bribery and corruption awareness 	<ul style="list-style-type: none"> Ensure due diligence assessment and fulfilment of assessment criteria Emphasis on anti-bribery and corruption policy
Employees	<ul style="list-style-type: none"> Performance appraisals Operational meetings and discussions Occupational safety meetings Trainings 	<ul style="list-style-type: none"> Annually Periodically Ad-hoc 	<ul style="list-style-type: none"> Employee health and safety Career development and advancement Communication and engagement 	<ul style="list-style-type: none"> Compliance to Occupational Safety and Health Act 1994 Provide opportunity for training when need arises to support employee advancement Organisation of employee engagement activities & participation in community engagement activities
Government Regulators	<ul style="list-style-type: none"> Meetings and consultations Training programmes and dialogue Audit and verification 	<ul style="list-style-type: none"> Annually Ad-hoc 	<ul style="list-style-type: none"> Regulatory Compliance Approvals and permits Standards and certifications 	<ul style="list-style-type: none"> Adherence to governmental laws, regulations and requirements Adherence to environmental laws
Local Communities	<ul style="list-style-type: none"> General meetings Media announcements Annual report Group website 	<ul style="list-style-type: none"> Annually Ad-hoc 	<ul style="list-style-type: none"> Community wellbeing Community investment opportunities 	<ul style="list-style-type: none"> Continued community engagement activities

Sustainability Material Matters

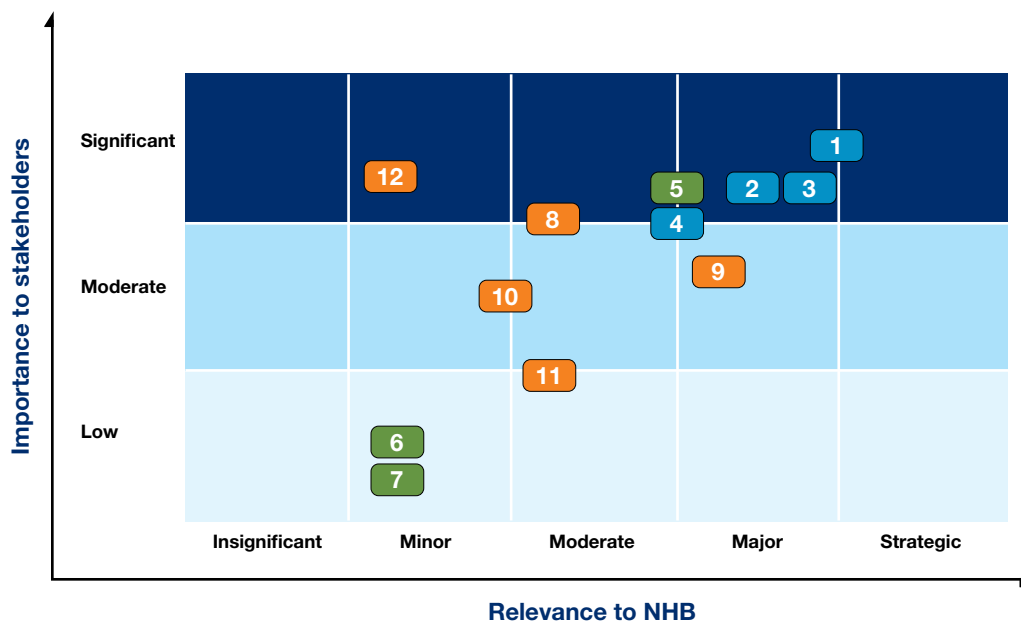
The most important sustainability matters to the Group are identified by assessing the internal and external risks matched against the stakeholders' areas of interest. Following is the process used to determine the material matters:



We have monitored our business environment and re-assessed our organisational goals and strategies in the year 2024. After the annual materiality matters assessment had been completed by the Management Committee, it was concluded that the materiality matter “Financial Performance” is no longer a priority to the Group as the financial performance is a reflection or result of how other materiality matters such as the “Market Presence”, “Product and Service Quality”, “Procurement” and “Environmental Compliance” are managed. Thus, “Financial Performance” was removed as a material matter and the Group’s focus and effort shall be invested in other crucial materiality matters that will contribute to the financial performance.

The Group had also decided to list “Energy Management” and “Water Management” as prioritised materiality matters to comply by the mandatory requirement by Bursa Malaysia on the disclosures related to energy and water consumption. The revised materiality matters were approved by the Board of Directors. The Group had not listed “Waste Management” as one of the prioritised material matters as “Waste Management” material matter is not applicable for the Group.

The pictorial below reflects the sustainability matters and its significance to the business and stakeholders of NHB:



SUSTAINABILITY STATEMENT

CONT'D

Sustainability Material Matters (Cont'd)

Economic	Environment	Social
1. Market Presence	5. Environmental Compliance	8. Diversity and Equal Opportunity
2. Anti-Bribery and Anti-Corruption	6. Energy Management	9. Occupational Health and Safety
3. Product and Service Quality	7. Water Management	10. Labour Practices and Standards
4. Procurement		11. Cybersecurity
		12. Local Communities

FY2024 Performance Overview and Targets for FY2025

The following table summarises our performance for FY2024 and our targets for FY2025:

Material Topic	FY2024 Performance	FY2025 Target
Market Presence	<ul style="list-style-type: none"> With the acquisition of Armani Sinar, the Group has successfully scale up its market presence compared to 2023. The Group has penetrated into new business segment i.e. residential project. 	<ul style="list-style-type: none"> To enhance our market presence by capturing more customers through enhanced marketing efforts.
Anti-Bribery and Anti-Corruption	<ul style="list-style-type: none"> Zero cases of bribery and corruption 	<ul style="list-style-type: none"> Zero cases of bribery and corruption
Product and Service Quality	<ul style="list-style-type: none"> Zero customer complaints regarding service and products With Armani Sinar, the group has gained access to wider spectrum of suppliers will allows the Group to reduce concertation risk, contribute to better product and service quality. The Group now operates two warehouses, which allows us to monitor the stock position effectively. 	<ul style="list-style-type: none"> Zero customer complaints regarding service and products
Procurement	<ul style="list-style-type: none"> 78% proportion of spending on local suppliers 	<ul style="list-style-type: none"> To enhance proportion of spending on local suppliers.
Environmental Compliance	<ul style="list-style-type: none"> Zero non-compliance to environmental laws and regulations 	<ul style="list-style-type: none"> Zero non-compliance to environmental laws and regulations
Energy Management	<ul style="list-style-type: none"> Reduced energy consumption by 17% (100,120 kW/h) through energy optimization and saving. 	<ul style="list-style-type: none"> To minimise wastage of energy.
Water Management	<ul style="list-style-type: none"> Reduced water consumption by 2.3% (766 M³) through water saving. 	<ul style="list-style-type: none"> To minimise wastage of water.
Diversity and Equal Opportunity	<ul style="list-style-type: none"> Ratio of male to female employees is 62%:38% 	<ul style="list-style-type: none"> To maintain a diverse group of skilled and experienced employees.
Occupational Health and Safety	<ul style="list-style-type: none"> Recorded zero fatality, accidents, injuries and Lost Time Incident Rate (LTIR) 	<ul style="list-style-type: none"> Zero fatality, accidents, injuries and Lost Time Incident Rate (LTIR)
Labour Practices and Standards	<ul style="list-style-type: none"> Zero complaints pertaining to human rights Appointed HR Officer to ensure compliance to all labour practices and standards. 	<ul style="list-style-type: none"> To enhance the total hours of training by employee. To minimise employee turnover, preferably with no turnover. To maintain zero complaints pertaining to human rights.

SUSTAINABILITY STATEMENT

CONT'D

FY2024 Performance Overview and Targets for FY2025 (Cont'd)

Material Topic	FY2024 Performance	FY2025 Target
Cybersecurity	<ul style="list-style-type: none"> Zero cases of data leakage and privacy compromise We have internal IT personnel to safeguard our data and cybersecurity 	<ul style="list-style-type: none"> To maintain zero number of substantiated complaints concerning breaches of customer privacy and losses of customer data.
Local Communities	<ul style="list-style-type: none"> Contributed RM8,612.70 for community engagement activities 	<ul style="list-style-type: none"> To record higher amount invested in the community where the target beneficiaries are external to the listed issuer compared to FY 2024.

Risk, Opportunities and Management Approach

We assess our risks and opportunities to analyse the potential threats and use our strengths to identify and seize the opportunities to manage the risks. Following are the risks and opportunities identified based on the material matters and our action plan:

Material Topics	Risks	Opportunities	Impact to the Key Stakeholders	Management Approach
Market Presence	<ul style="list-style-type: none"> Market positioning challenge 	<ul style="list-style-type: none"> Innovation opportunities Increase brand value 	<ul style="list-style-type: none"> Shareholder and Investor Customers 	<ul style="list-style-type: none"> Perform market research on a regular basis to identify gaps for innovation
Anti-Bribery and Anti-Corruption	<ul style="list-style-type: none"> Integrity risk 	<ul style="list-style-type: none"> Increased governance compliance 	<ul style="list-style-type: none"> Shareholder and Investor Employees Customers 	<ul style="list-style-type: none"> Anti-corruption training for employees Implement NHB limit of authority policy to maintain balance and check process Conduct risk assessment annually on susceptible departments such as procurement and sales and marketing and carry out mitigating plans
Product and Service Quality	<ul style="list-style-type: none"> Critical equipment breakdown Natural disaster and fire accidents 	<ul style="list-style-type: none"> Competitive advantage through excellent quality assurance practices and establish relationship with experienced contractors 	<ul style="list-style-type: none"> Customers 	<ul style="list-style-type: none"> Maintain preventive maintenance schedule Maintain stock of important spare parts Daily quality control inspection Maintain preventive measures for fire accidents and common natural disaster
Procurement	<ul style="list-style-type: none"> Non-performing contractors 	<ul style="list-style-type: none"> Widen network of suppliers to ensure continued supply of products and services 	<ul style="list-style-type: none"> Vendors & Suppliers 	<ul style="list-style-type: none"> Partnership with various suppliers for sustained supply of products and services Continue practice of annual supplier evaluation
Environmental Compliance	<ul style="list-style-type: none"> Safety, health & environmental risk 	<ul style="list-style-type: none"> Compliance to environmental laws and regulations increases credibility 	<ul style="list-style-type: none"> Government Regulators Local Communities Employees Vendors & Suppliers 	<ul style="list-style-type: none"> Awareness on safety & health laws, environmental and legal requirements through trainings Safety and health inspections at work areas

SUSTAINABILITY STATEMENT

CONT'D

Risk, Opportunities and Management Approach (Cont'd)

Material Topics	Risks	Opportunities	Impact to the Key Stakeholders	Management Approach
Energy Management	<ul style="list-style-type: none"> Environmental risk 	<ul style="list-style-type: none"> Cost saving benefits Reliance on solar generated energy 	<ul style="list-style-type: none"> Shareholders & Investors Customer Vendors & Supplier Employees Government Regulators 	<ul style="list-style-type: none"> Usage of solar generated energy to reduce cost and lower environmental risk
Water Management	<ul style="list-style-type: none"> Environmental risk 	<ul style="list-style-type: none"> Cost saving benefits 	<ul style="list-style-type: none"> Shareholders & Investors Customer Vendors & Supplier Employees Government Regulators 	<ul style="list-style-type: none"> Create awareness on water conservation in the Group
Diversity and Equal Opportunity	<ul style="list-style-type: none"> Legal risks Loss of key staff 	<ul style="list-style-type: none"> Enhanced Human Resources practices Experienced and motivated workforce Brand and reputation enhancement 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Ongoing market study to recruit best fit employees with relevant experience Ongoing employee engagement programs to understand employees' needs
Occupational Health and Safety	<ul style="list-style-type: none"> Employee negligence Lack of safety awareness and knowledge Non-compliance to health and safety laws 	<ul style="list-style-type: none"> Increase employees' awareness and knowledge concerning safety matters 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Create safety awareness through Group's Quality, Health, Safety and Environment ("QHSE") policy
Labour Practices and Standards	<ul style="list-style-type: none"> Technology landscape risk Loss of key staff 	<ul style="list-style-type: none"> Increase productivity through training and knowledge transfer 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Relevant trainings are provided to staff for knowledge and exposure enhancement
Cybersecurity	<ul style="list-style-type: none"> Cybersecurity threat 	<ul style="list-style-type: none"> Increase in cybersecurity awareness and compliance 	<ul style="list-style-type: none"> Customers Shareholder and Investor Vendors & Suppliers 	<ul style="list-style-type: none"> Ongoing engagement of professional IT team that takes care of data and cyber security
Local Communities	<ul style="list-style-type: none"> Unawareness of community to the Group's noble courses for sustainable future 	<ul style="list-style-type: none"> Establish good relationship with local community 	<ul style="list-style-type: none"> Local Communities 	<ul style="list-style-type: none"> Participation in community programmes

SUSTAINABILITY STATEMENT

CONT'D

1. ECONOMIC

The Group gives unwavering attention and efforts to build financial value as it contributes to the economic growth of the nation and create value for our stakeholders. Creation of strong market presence ensures building of financial value through continuous generation of profit.

Market Presence

Our focus is to create awareness concerning the importance of renewable energy and how the growth of renewable energy industry could benefit the nation and the environment in the long term. The awareness that is created could support our national goal to transition to usage of renewable energy. Currently, our market representation is less than 1% as the energy capacity supported is in smaller scale. However, we are consistently working towards the goal of establishing a powerful presence in Malaysia through our upcoming strategic plans.

With the acquisition of Armani Sinar Sdn Bhd, the Group has successfully scale up its market presence compared to 2023.

The Group has penetrated into new business segment i.e. residential project.

We believe our strategic plans for business operation and expansion will improve our presence in the market.

Anti-Bribery and Anti-Corruption

NHB strictly prohibits all forms of bribery and corruption in all our business practices. We take a zero-tolerance approach towards such misconduct and seek to always uphold highest ethical standards to safeguard the Group's longstanding good reputation.

The Group had implemented the following measures to eradicate bribery and corruption:

- Anti-Bribery and Corruption policy was updated on year 2020 to include provision relating to Section 17A of the MACC Act (Amendment) 2018 which came into effect on 1 June 2020 where NHB included the Corporate Liability concept. The Anti-Bribery and Corruption policy is made available to employees and stakeholders in our website.
- Corruption risk assessment is done annually for all operating departments that deals with tender management, projects and general procurement; and sales and marketing function. The last corruption risk assessment report was approved as at 31 December 2024 by the Chief Executive Officer and Chief Financial Officer.
- The Group's activities in regards to anti-bribery and corruption management is to be reported to the Audit & Risk Management Committee every quarter covering updates such as anti-bribery and corruption training, risk assessment, declaration of conflict of interest by Directors and employees, acknowledgement of corruption policies by suppliers and partners and other on-going efforts to eradicate corruption.
- No gift policy is practiced in the Group to completely eradicate any form of corruption and favouritism.
- The Board of Directors and employees make declaration on conflict of Interest that is renewed annually. The last declaration exercise was carried out from February to May 2024.
- All newly registered approved suppliers are subject to due diligence assessment and are required to declare acknowledgement of NHB's Anti-Bribery and Corruption policy, Anti-Bribery and Corruption Code of Conduct Policy and Whistleblowing policy.
- The Human Resources & Employee Policy Handbook and Code of Ethics for Company Directors outlines the ethical standards to be displayed by employees and Directors and cover subjects related to conflict of interest and corruption.
- Annual training on Anti-Bribery and Anti-Corruption is held in the Group. For FY2024, the annual training on Anti-Bribery and Anti-Corruption was held on November 2024 for all level of employees by external trainers.

SUSTAINABILITY STATEMENT

CONT'D

1. ECONOMIC (CONT'D)

Anti-Bribery and Anti-Corruption (Cont'd)

Following is the number of employees who were given Anti-Bribery and Corruption training from FY2022 to FY2024:

Employee Category	FY2024	% of Employees Received Training	FY2023	% of Employees Received Training	FY2022	% of Employees Received Training
Management	10	100%	13	100%	13	100%
Executive	42	100%	13	100%	12	100%
Non-Executive	10	100%	10	100%	9	100%

The Anti-Bribery & Anti-Corruption policy is published in the Group's website, accessible at: https://www.ilb.com.my/Attachments/ILB_Anti-Bribery_And_Corruption_Policy.pdf

The Group recorded zero cases of bribery and corruption as at 31 December 2024, 31 December 2023, 31 December 2022.

Whistleblowing Policy

The Whistleblowing Policy was established to encourage all stakeholders of the Group to raise their concerns and further disclose any misconduct or unethical behaviours occurring within the organisation. We assure that fitting disciplinary action towards confirmed perpetrators shall be taken and the confidentiality of the whistleblowers will be protected as far as practicality of the case investigation allows.

The Whistleblowing policy is published in the Group's website, accessible at https://www.ilb.com.my/Attachments/whistle_blowing_policy.pdf

Following are the channels to direct the reports:

By email: erictang@nuenergy.com.my

By post: Mark Strictly Confidential
NuEnergy Holdings Berhad
M-1F-1, M-1F-2 & M-1F-3,
Pusat Perdagangan Kota Damansara,
No. 12, Jalan PJU 5/1,
Kota Damansara,
47810 Petaling Jaya, Selangor

Attention: Chief Executive Chairman

By email: enghooisoh@gmail.com

By Post: Mark Strictly Confidential
NuEnergy Holdings Berhad
M-1F-1, M-1F-2 & M-1F-3,
Pusat Perdagangan Kota Damansara,
No. 12, Jalan PJU 5/1,
Kota Damansara,
47810 Petaling Jaya, Selangor

Attention: Chairman – Audit & Risk
Management Committee

Reports received against the management shall be brought to the attention of the Chief Executive Chairman or to the Chairman of Audit & Risk Management Committee (ARMC).

The Group recorded zero complaints in relation to unethical business practices or suspicious corruption or unethical behaviour as at 31 December 2024, 31 December 2023, 31 December 2022.

1. ECONOMIC (CONT'D)

Product and Service Quality

The 1 Mvac solar power plant in Seberang Perai, Penang secured the approval from Sustainable Energy Development Authority Malaysia (SEDA) for the set-up and operation of power plant under the Feed-in Tariff (FIT) program. The 10 Mvac solar power plant in Bukit Kayu Hitam was awarded the development of the 10.0 MW large scale solar PV plant under the Energy Commission's 1st Large Scale Solar Photovoltaic Plant (LSS) program.

The following table summarizes our achievements by year-on-year basis:

	Solar Energy Generated (kW/h)	Carbon Dioxide Emission Avoided (Tonnes)	Reduction of Forest Required to Offset Carbon Dioxide from the Atmosphere (Acres)
FY2024	19,084,888	12,214	16,604
FY2023	18,382,172	11,765	15,993
FY2022	18,126,299	11,601	15,770
Total	55,593,359	35,580	48,367

Source: Malaysia Green Attribute Tracking System

The increase in generation of solar energy for FY2024 compared to FY2023 was due to more favorable weather that boost solar energy generation.

We believe that service quality plays an important role to introduce solar power as an alternative reliable source to generate electricity nationwide because stability in supply of power creates confidence in customers to transition from conventional non-renewable to renewable source of energy. Thus, our goal in maintaining service quality stems from this idea of continued service with zero to limited downtime. This goal is achieved through regular maintenance of our solar power plants by outsourced service contractors. The contractors monitor activities of the power plants on weekly basis and resolve any issues identified immediately. Besides that, an annual maintenance service is conducted to ensure the systems are functioning to its ultimate potential.

The Group has established a Standard Operating Procedure (SOP) for handling complaints. As at 31 December 2024, 2023 and 2022, no complaints have been received from customers.

Our commitment to create awareness concerning solar power as an alternative source of energy to our communities is a challenging, ongoing journey. We aspire to change the perception of people regarding solar power energy through our excellence in service and introduce solar power as one of the main sources of electricity generation in Malaysian homes.

SUSTAINABILITY STATEMENT

CONT'D

1. ECONOMIC (CONT'D)

Procurement

Procurement is an important activity in the Group as responsible decision need to be made to source for cost effective products and services to ensure financial sustenance. We strive to source products and services within Malaysia to maintain cost effectiveness and maximise efficiency by cutting down waiting time for the products and services purchased.

The total number of approved vendors (both local and overseas) as at 31 December 2024, 31 December 2023, 31 December 2022 are as follows:

Types	FY2024		FY2023		FY2022	
	Amount (RM)	Proportion of Spending	Amount (RM)	Proportion of Spending	Amount (RM)	Proportion of Spending
Local Suppliers	4,939,728.28	78%	22,790,955.99	69%	2,933,086.41	100%
Overseas Suppliers	1,393,256.69	22%	10,330,452.54	31%	Nil	0%
TOTAL	6,332,984.97	100%	33,121,408.53	100%	2,933,086.41	100%

The proportion of spending on local suppliers are 78% and 22% on overseas suppliers. The Group sources for products and services based on the availability of the products in local market. Products are sourced from overseas suppliers in absence of its availability in the local market. Besides that, quality of products and competitive pricing are crucial criteria in consideration of purchase decision to maximise value for money and reliability of products.

The procurement policy drives the procurement process at NHB. The policy ensures transparency, informed decision making and efficiency in procurement management.

The Group ensures continuous supply of materials and services that are good in quality and obtained with competitive pricing through careful assessment of suppliers against the following criteria:

- Job knowledge of supplier providing service and products
- Reliability of service which ensures timely customer service
- Quality of product and services
- Competitive pricing

Suppliers and contractors with satisfactory service are registered as approved vendors. The suppliers and vendors are newly registered approved suppliers are subject to due diligence assessment and are required to declare acknowledgement of NHB's Anti-Bribery and Corruption policy, Anti-Bribery and Corruption Code of Conduct Policy and Whistleblowing policy. Moreover, the suppliers and vendors undergo annual assessment on the same criteria listed above when they are engaged for procurement of products and services. The assessments are carried out by the respective departments that engage the vendor. The evaluation is verified and approved by the Senior Management.

2. ENVIRONMENTAL

Preservation and conservation of the environment is the ultimate goal of the Group as the Group's mission is to protect the environment and improve the quality of life by creating awareness towards alternative sources to substitute natural resources. We seek to reduce our carbon footprint through effective management of resources and through compliance to legal requirements that press for preservation of the environment. Being in the renewable energy industry, we have the sense of duty to lead by example by demonstrating proactive measures in saving the environment through mindful usage of resources.

Climate Change and Task Force on Climate Related Financial Disclosures (“TCFD”)

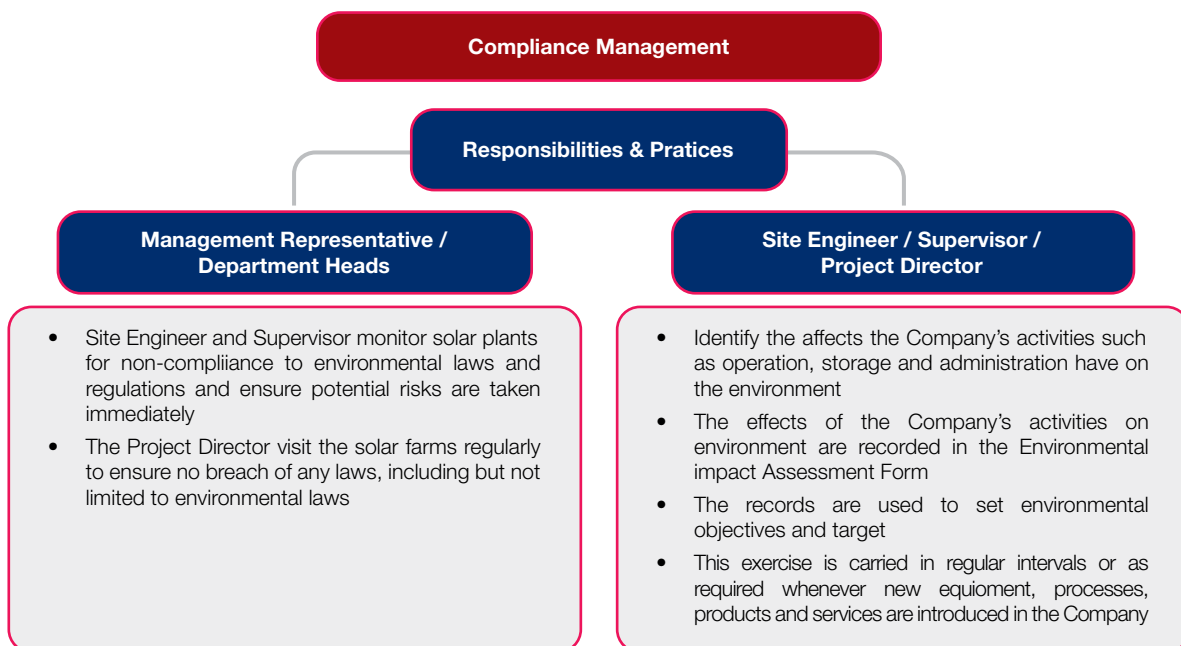
Climate change is the main factor that had revolutionised the business focus of NHB from warehousing to solar power plant. The global attention to address climate change created a gap for innovation and business opportunity that the Group seized. Furthermore, climate plays a crucial role in electric generation through solar power. For example, continuous rain significantly impacts our performance in energy generation as solar power is derived from the intensity of the radiation of sunlight. We are continuously assessing the changes in climate in Malaysia, the implications, and the risks it has on our business operation. We also acknowledge that the Group is also subject to leaving carbon footprints through its operation. Thus, the Group is working on establishing the data on scope 1, 2 and 3 carbon emission.

We acknowledge the mandatory requirement to comply by the TCFD standard and we assure our stakeholders that we are working towards establishing necessary data to disclose the relevant information needed for complete compliance. We target to disclose the relevant information by FY2026.

Environmental Compliance

Compliance to laws and regulations not limited to environmental laws are important to us to ensure smooth operation of the business. The Quality, Health, Safety and Environmental (QHSE) policy outlines the standards on quality, health, safety, and environmental performance provides structure to the practices within the organisation. Operational practices governed by the policy ensures unified effort in compliance to relevant laws and regulations.

Besides that, continuous monitoring and recording had ensured compliance to environmental laws and regulations. The responsibilities borne by management members in compliance effort is as follows:



Effective policy, procedures and practices had contributed to our success of maintaining 100% compliance to uphold the highest standards and performance. In FY2024, we have complied with all relevant environmental regulations and no sanctions resulting from non-compliance for our operations (FY2022: Nil, FY2023: Nil).

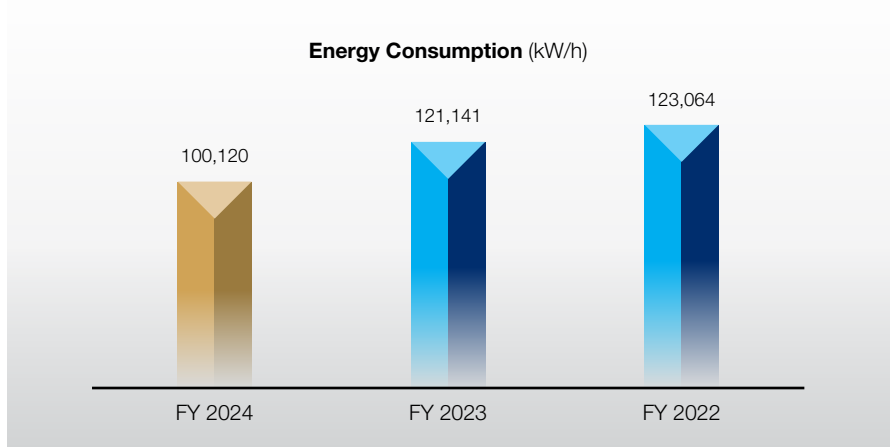
SUSTAINABILITY STATEMENT

CONT'D

2. ENVIRONMENTAL (CONT'D)

Energy Management

The usage of electricity is very minimal for the Group as it is utilized mostly for operation of office premise. Following is the consumption of energy at the Group as at 31 December 2024, 31 December 2023, 31 December 2022:

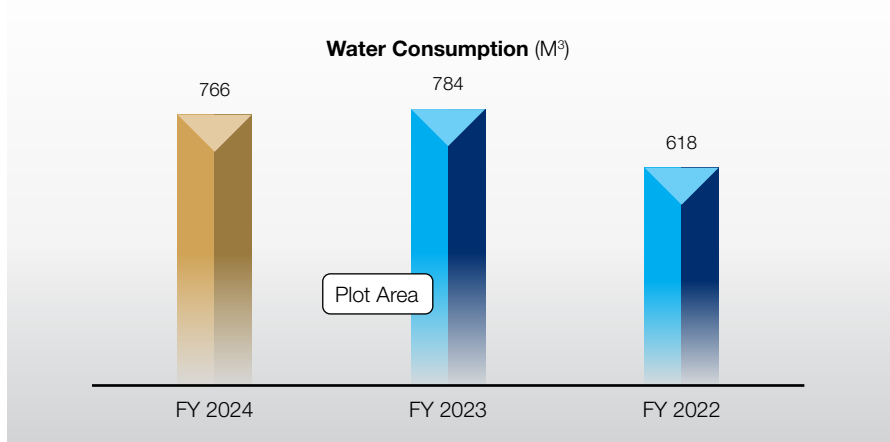


The consumption for FY2023 decrease by 1.6% in consumption when compared to FY2022 because the Group had installed Solar Photovoltaic System (SPS) for its own consumption of energy as part of the Group's initiative to shift dependence on renewable energy source.

With the continuously effort and awareness created within NHB, we have successfully reduced the energy consumption for FY2024 by 17% as compared to FY2023.

Water Management

The water consumption at the Group is mainly at the office premise that contributes to lower level of consumption. Following is the consumption of water at the Group as at 31 December 2024, 31 December 2023, 31 December 2022:



With the Group continued awareness through internal communication such as circulation of internal memo and included as part of the routine staff briefing, NHB had successfully reduced the water usage by 2.3% in FY2024.

SUSTAINABILITY STATEMENT

CONT'D

3. SOCIAL

We strive to create a safe workplace and a good learning ground for our employees to promote wellbeing and career advancement. Besides that, we encourage the workforce to participate in community engagement activities to nurture the habit of giving and participate in the Group's noble course of caring for the community.

Diversity and Equal Opportunity

Diversity and equal opportunity are crucial to the sustainability of our business as employees contribute to the smooth operation of the business through various skills and knowledge. We value and respect unique perspectives, experiences and backgrounds of our employees and are committed to creating a workplace that is inclusive and welcoming to people of all age, gender, nationality, and religion. A total of 62 people were employed at the Group as at 31 December 2024.

No contractors or temporary staff was employed at NHB.

Gender Diversity

Gender diversity is important to balance a diverse workforce with differing skills and talents. Female employees are recruited for administration jobs and male employees are recruited for technical skills and experience. The gender ratio of male to female employees for FY2024 is 63%:37%.

The following tables show the gender diversity at the Group as at 31 December 2024, 31 December 2023, 31 December 2022:

FY2024						
Gender	Female			Male		
Category	Management	Executive	Non-Executive	Management	Executive	Non-Executive
No. of Employees	3 (14%)	16 (72%)	3 (14%)	7 (18%)	23 (60%)	8 (22%)
Total	22 (37%)			38 (63%)		
Total Number of Employees	60					

FY2023						
Gender	Female			Male		
Category	Management	Executive	Non-Executive	Management	Executive	Non-Executive
No. of Employees	4 (44%)	3 (34%)	2 (22%)	9 (33%)	10 (37%)	8 (30%)
Total	9 (25%)			27 (75%)		
Total Number of Employees	36					

SUSTAINABILITY STATEMENT

CONT'D

3. SOCIAL (CONT'D)

Gender Diversity (Cont'd)

FY2022						
Gender	Female			Male		
Category	Management	Executive	Non-Executive	Management	Executive	Non-Executive
No. of Employees	4 (44%)	3 (33%)	2 (23%)	9 (36%)	9 (36%)	7 (28%)
Total	9 (35%)			25 (65%)		
Total Number of Employees	34					

Age Diversity

As the Group is in the renewable energy industry that goes through various technological transition, age diversity is important to balance and maintain diverse experience and knowledge that drives innovative ideas in the Group. People of various age categories will be able to share different ideas that contribute to advancement of the Group and facilitate knowledge sharing among the employees.

The following table show the age diversity at the Group as at 31 December 2024, 31 December 2023, 31 December 2022:

Employee Category	Employees by Age Group	FY2024	FY2023	FY2022
Management	Below 30 years old	0 (0%)	1 (8%)	1 (8%)
	30-50 years old	6 (50%)	3 (23%)	3 (23%)
	Above 50 years old	6 (50%)	9 (69%)	9 (69%)
Executive	Below 30 years old	9 (23%)	6 (46%)	5 (42%)
	30-50 years old	25 (63%)	5 (38%)	5 (42%)
	Above 50 years old	4 (14%)	2 (16%)	2 (16%)
Non-Executive	Below 30 years old	0 (0%)	1 (10%)	1 (11%)
	30-50 years old	7 (70%)	7 (70%)	5 (56%)
	Above 50 years old	3 (30%)	2 (20%)	3 (33%)

Gender and Age Diversity in the Board of Directors (BOD)

Gender	FY2024	FY2023	FY2022
Male	5 (71%)	5 (71%)	5 (71%)
Female	2 (29%)	2 (29%)	2 (29%)
Total	7	7	7

	Below 30 years old	30-50 years old	Above 50 years old
FY2024	0 (0%)	3 (42%)	4 (58%)
FY2023	0 (0%)	0 (0%)	7 (100%)
FY2022	0 (0%)	0 (0%)	7 (100%)

3. SOCIAL (CONT'D)




Age Diversity (Cont'd)

The ratio of male board member to female board members for FY2024 is 71%:29%. The board predominantly consist of male members as the industry of the Group involves technical knowledge, skill and experience. The Group strives to maintain balance and diversity in the board given that the members fulfil the criteria and qualification as prescribed in the Directors' Fit and Proper policy established at the Group on 27 May 2022.

Occupational Health and Safety

A safe work environment ensures wellbeing of employees, eliminates work disruption, and enhances work quality in the Group. NHB has an established Health, Safety and Environment (HSE) Committee.

The HSE Committee's efforts are supported by the Quality, Health, Safety and Environment ("QHSE") policy that was enforced on March 2020. The policy provides comprehensive guideline on health and safety standards and practices. Following are the objectives of the policy:

- 
Protect the safety and wellbeing of employees, environment and properties of the Company
- 
Ensure compliance to laws and regulation and to address non compliance
- 
Emergency response to safety health matters

Following are the ongoing efforts taken to avoid health and safety mishaps at the Group:

- Stringent work Standard Operating Procedures (SOP) to be adhered to at work sites
- Monitoring at work site by supervisors
- Safety briefings are conducted on monthly basis to reiterate the need to comply by the work SOP and usage of Personal Protection Equipment (PPE) at work site
- Safety inspection on work sites is conducted semi-annually
- Fire drill is conducted annually to train employees for fire emergencies

The following table shows the number of employees that were given training on health and safety standards:

Year	FY2024	FY2023	FY2022
Number of employees	24	18	11

New employees joining the Group are given safety and health briefing, work instructions, awareness on health compliance matters and introduction to the QHSE policy during the annual induction session. This organised health and safety management system has contributed to our achievement of recording zero occupational accidents, injuries and fatality for FY2024 (FY2023: Nil; FY2022: Nil). Thus, the Lost Time Incident Rate (LTIR) was also recorded zero from FY2022 to FY2024.

We are continuously working to develop mindful culture concerning health and safety matters in the Group through our health and safety briefings and provision of guideline through QHSE policy and procedures. With these efforts in place, we believe we will continue to demonstrate excellence in workforce wellness.

SUSTAINABILITY STATEMENT

CONT'D

3. SOCIAL (CONT'D)

Labour Practices and Standards

Training and Development

We are committed to promote continuous improvement through training and development. Training and development help to motivate and maintain high level of competency among employees that improves the overall operation of the Group. Training opportunities are identified through employee appraisal activity that takes place annually. Employees receive review and feedback on their job performance from their superior, set goals for the upcoming year, and get information on career development within the organisation. Training and development opportunities are explored based on the learning needed by the employee due to introduction of new technical know-how, update in business operations and requirement by legislation.

The following table shows the total training hours achieved by the Group as at 31 December 2024, 31 December 2023, 31 December 2022:

Year	Total Hours of Training	Average Training Hours Per Employee
FY2024	90	1.50
FY2023	54	1.50
FY2022	64	1.88

The total training hours by employee category as at 31 December 2024, 31 December 2023, 31 December 2022:

Category	FY2024	FY2023	FY2022
Management	18 (20%)	13 (36%)	54 (71%)
Executive	57 (63%)	14 (29%)	10 (29%)
Non-Executive	15 (17%)	9 (25%)	0 (0%)
Total	90	36	64

We are looking forward to identifying more training opportunities for our employees to enrich their knowledge and skills for the upcoming years to create agility and resilience in our workforce in this time of rapid technological and demographical change.

Turnover

The table below shows the turnover rate at the Group by employee category as at 31 December 2024, 31 December 2023, 31 December 2022:

Management Level	FY2024	Percentage	FY2023	Percentage	FY2022	Percentage
Management	4	20%	2	50%	4	33%
Executive	13	65%	1	25%	1	8%
Non-Executive	3	15%	1	25%	7	59%
Total Turnover	20	100%	4	100%	12	100%

3. SOCIAL (CONT'D)

Employee Retention

As we strive to infuse sustainability measures in the social aspect of our operation, we believe employee retention plays a key role in supporting our sustainability goals. For example, key employees with specialised knowledge and skills contribute immeasurably to the sustained operation of the business that ensure smooth delivery of service to customers. Besides that, employee retention saves cost and provides competitive advantage financially and experience wise that are primal for sustainable business operation. Following are the benefits provided to our employees as an initiative to retain them:

- Group Hospitalisation & Surgical Plan
- Group Personal Accident Insurance
- Annual Leave
- Congratulatory Leave
- Maternity Leave
- Paternity Leave
- Compassionate Leave
- Prolonged Illness Benefits
- Outpatient Medical Benefits

We acknowledge that one of the best practices to retain employees is to hear their concerns and opinions. We have an established channel to handle employee grievances where employee may approach their immediate superiors to address their concerns and feedback regarding job and the workplace.

Employee engagement activities are organised in the Group to increase bonding and appreciate the employees' diverse background. Employee activities also provide opportunities for open communication that aids in employee retention. For FY2024, the Group had organised several activities with the Employees such as meal gathering, festive celebrations and team building exercise.

New Hires

The table below show the number of new hires at the Group by employee category as at 31 December 2024, 31 December 2023, 31 December 2022:

Management Level	FY2024	Percentage	FY2023	Percentage	FY2022	Percentage
Management	4	24%	2	33%	6	50%
Executive	10	59%	0	0%	3	25%
Non-Executive	3	17%	4	67%	3	25%
Total New Hires	17	100%	6	100%	12	100%

Human Rights

We pledge to safeguard the safety and wellbeing of our employees by providing safe working environment, non-discriminative internal practices and equal opportunity for progress and development. We ensure that clean working environment is provided to employees and all necessity rights are given to employees such as medical leaves, lunch breaks and annuals leaves. The Group recorded zero complaints and cases in regards to violation of human rights as at 31 December 2024, 31 December 2023, 31 December 2022.

SUSTAINABILITY STATEMENT

CONT'D

3. SOCIAL (CONT'D)

Cybersecurity

Cybersecurity threats are becoming rampant and pose a risk to all organisations that have IT infrastructure in place. These threats come in various forms and can cause serious consequences for businesses such as data breaches, financial losses, and damage to the Group's reputation.

The cyber security systems deployed protects the Group's internet access, email system and server. The Group takes cybersecurity seriously and had established various protection measures in place by engaging a professional IT service provider. Following are the measures and maintenance practices in place to protect the privacy of data and to defend against malicious cyber-attacks:

- Utilisation of custom email host for email services that eliminate chances of scammers that impersonate the Group and scam potential customers
- Change of password for email services are managed through system admin that blocks intruders from changing passwords and taking over the email account
- The IT system is equipped with firewall, anti-virus and anti-malware software to block harmful intrusions
- Anti-virus system is updated and scanning of systems are carried out on timely manner as prompted by the software
- Resigned employees are required to return their laptops and their email accounts are blocked with immediate effect upon departure
- The IT consultants monitor the filtered phishing, malware emails and anti-spam system on daily basis. The IT consultants will prompt the user once they detect any irregularities.

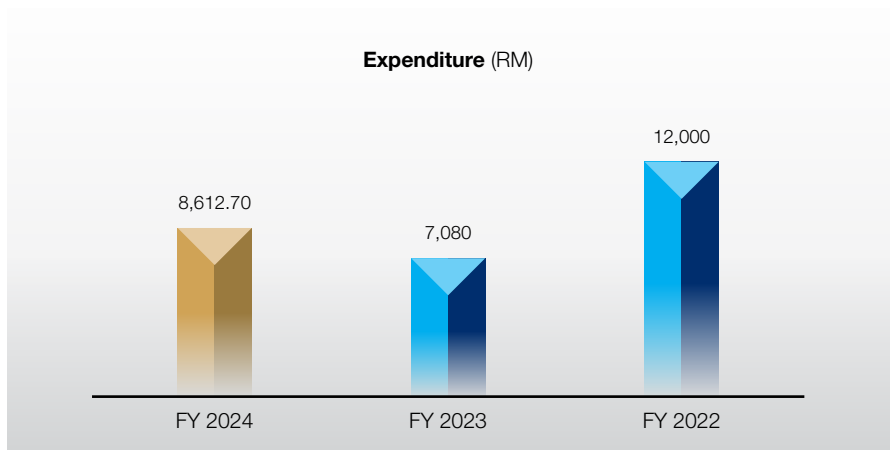
The Group has recorded zero cyber-attacks and no incidents of system patch up due to cyber-attack have taken place in the past. In FY2024, we have recorded zero cases relating to breaches of data or complaints from external stakeholders (FY2022 and FY2023: Nil).

Local Communities

We are committed to carrying out engagement activities with local communities to demonstrate our care for the wellbeing of the society and promote unity among people from all walks of life. The following table shows the list of community engagement activities participated by the Group for FY2024:

List of Activities for FY2024		Expenditure (RM)
1	Contribution to Old Folks Home – Pertubuhan Kebajikan Pusat Jagaan Warga Emas Hao Dak Kuala Lumpur	3,500.00
2	Contribution to Disabled Home – Care For Malaysia Welfare Centre	5,112.70
TOTAL		8,612.70

The following graph shows the expenses for community engagement activities on year-on-year basis:



3. SOCIAL (CONT'D)

Local Communities (Cont'd)

The contribution for community activities in FY2024 was higher by 22% compared to FY2023. NHB remains committed to organise more charitable activities for the benefit of the needy and enriching programs for the community in the year to come.

Going Forward

Our aim remains as to practice sustainable measures in all operations of the Group to ensure longevity of the business, create awareness concerning conservation of nature and development of constructive community. We acknowledge that these goals require ongoing effort such as expansion of business to promote solar energy as a source of electricity generation, collaboration with various parties to introduce better services and technology, enhancement of internal processes to reduce potential carbon footprint cause by the Group's operation and development of well-trained workforce to support these sustainability goals.

Moving forward, our efforts will be directed towards enhancing our internal processes and operations through continuous monitoring and recording of our progress for analysis and improvement. We are thrilled to create a momentum of change through our business that will bring forth positive impact nationally and globally.

SUSTAINABILITY STATEMENT

CONT'D

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
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
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	8,612.70
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	50.00
Management Above 50	Percentage	50.00
Executive Under 30	Percentage	23.00
Executive Between 30-50	Percentage	63.00
Executive Above 50	Percentage	14.00
Non-executive/Technical Staff Under 30	Percentage	0.00
Non-executive/Technical Staff Between 30-50	Percentage	70.00
Non-executive/Technical Staff Above 50	Percentage	30.00
Gender Group by Employee Category		
Management Male	Percentage	70.00
Management Female	Percentage	30.00
Executive Male	Percentage	59.00
Executive Female	Percentage	41.00
Non-executive/Technical Staff Male	Percentage	73.00
Non-executive/Technical Staff Female	Percentage	27.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.00
Female	Percentage	29.00
Under 30	Percentage	0.00
Between 30-50	Percentage	42.00
Above 50	Percentage	58.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	100.12
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	24

SUSTAINABILITY STATEMENT

CONT'D

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	18
Executive	Hours	57
Non-executive/Technical Staff	Hours	15
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		
Management	Number	4
Executive	Number	13
Non-executive/Technical Staff	Number	3
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	78.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.766000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	No Data Provided
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	No Data Provided
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	No Data Provided
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	No Data Provided
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	No Data Provided
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	No Data Provided

BOARD OF DIRECTORS' PROFILES

TANG MING YNG

Executive Chairman, Executive Director

Malaysian | Male | 47

Mr Tang Ming Yng, was appointed as Executive Chairman on 5 February 2024. He graduated from University of Western Australia with Bachelor of Science in Agriculture specializing in Genetics and Plant Breeding.

With a global perspective, the entrepreneurial-minded, Mr Tang has more than 25 years experiences in helming overall development and implementation of strategies and policies in operations ranging from importing, manufacturing, warehousing, trading and distribution throughout the nation as well as globally across Asia Pacific, Africa, Middle East and Europe.

Holding the belief that society should thrive alongside with the company's business expansion, Mr Tang strives to actively participate in the various initiatives towards uplifting lives, alleviating poverty, supporting the needy as well as helping the communities to flourish through education and sports.

Mr Tang does not have any interest in the securities of the Company or its subsidiaries. Mr Tang is the elder brother of Mr Tang Weihann, the Chief Executive Officer of NHB and does not have any family relationship with any other Director and/or major shareholder of the Company.

Mr Tang attended all four Board Meetings held during the Financial Year Ended 31 December 2024.

TANG WEIHANN

Chief Executive Officer, Executive Director

Malaysian | Male | 39

Mr Tang Weihann, was appointed as Chief Executive Officer on 1 April 2024. He graduated from Monash University in Melbourne with a Bachelor of Commerce majoring in both accounting and finance and is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and Certified Public Accountants Australia.

Mr Tang Weihann has more than 16 years of accounting, banking and finance experiences. He began his career with Messrs Ernst & Young Malaysia and covered clientele from plantations, oil and gas and retail industries, subsequently he joined RHB Investment Bank Berhad, in-charge of mergers and acquisitions, valuation and financial advisory assignments and participated in Kulim (Malaysia) Berhad divestment in New Britian Palm Oil Limited. He has since been involved in managing investments portfolios and finance operations of various private entities.

Mr Tang sits on the Board of Golden Land Berhad as Non-Independent Non-Executive Director. He serves as the Member of the Audit & Risk Management Committee, Nomination Committee and Remuneration Committee of Golden Land Berhad.

Mr Tang Weihann does not have any interest in the securities of the Company or its subsidiaries. He is the younger brother of Mr Tang Ming Yng, the Executive Chairman of NHB and does not have any family relationship with any other Director and/or major shareholder of the Company.

Mr Tang Weihann attended all four Board Meetings held during the Financial Year Ended 31 December 2024.

BOARD OF DIRECTORS' PROFILES

CONT'D

WAN AZFAR BIN DATO' WAN ANNUAR

Independent Non-Executive Director

Malaysian | Male | 74

En Wan Azfar bin Dato' Wan Annuar, was appointed to the Board as an Executive Director on 17 September 2001. He resigned as an Executive Director on 26 March 2003 but remained as a Non-Independent Non-Executive Director and was subsequently redesignated as an Independent Non-Executive Director on 19 August 2015. A Naval Officer by training, having been through Britannia Royal College, Dartmouth, United Kingdom and HMS Mercury, Royal Navy's School of Maritime Operations, Petersfield, United Kingdom, he has some 16 years service at sea and ashore. His military appointments included 2 warship commands, staff duties at the Ministry of Defence, Kuala Lumpur, Naval Headquarters in Singapore and as Naval Attache at the Malaysian High Commission, London. After leaving the Royal Malaysian Navy, he joined Malayan United Industries Berhad group of companies and pioneered the hotel division.

En Wan Azfar currently serves as the Chairman of the Nomination & Remuneration Committee on 8 March 2021 and he is also a member of the Audit & Risk Management Committee. He does not hold any directorships of other public companies.

En Wan Azfar does not have any interest in the securities of the Company or its subsidiaries. He does not have any family relationship with any other Director and/or major shareholder of the Company.

En Wan Azfar attended all four Board Meetings held during the Financial Year Ended 31 December 2024.

DATO' WAN HASHIM BIN WAN JUSOH

Independent Non-Executive Director

Malaysian | Male | 67

Dato' Wan Hashim bin Wan Jusoh, was appointed to the Board on 1 October 2017 as an Independent Non-Executive Director.

Dato' Wan Hashim obtained his Bachelor Degree of Science (Hons) in Resource Economy from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia). He joined Malaysia Investment Development Authority ("MIDA") in the same year as Assistant Director. Throughout most of his 36-years career with MIDA, he was responsible for the promotion and coordination of foreign and domestic investments and was also assigned to MIDA Los Angeles, Boston and New York. Dato' Wan Hashim was promoted to Executive Director in 2011 taking the leadership for five industry divisions namely the Electronic, ICT and Electrical, Transport Technology, Machinery and Equipment, and Textile and Non-Metallic Mineral. He became the Deputy CEO III of MIDA in July 2014 taking charge of the Strategic Planning and Investment Eco-System Development roles of MIDA and retired on the 24 September 2017 after a long-distinguished career with MIDA.

Dato' Wan Hashim is a member of the Audit & Risk Management Committee and the Nomination & Remuneration Committee. He sits on the Board of AYS Ventures Berhad as an Independent Non-Executive Director and UWC Berhad as an Independent Non-Executive Chairman.

Dato' Wan Hashim does not have any interest in the securities of the Company and its subsidiaries. He does not have any family relationship with any other Director and/or major shareholder of the Company.

Dato' Wan Hashim attended all four Board Meetings held during the Financial Year Ended 31 December 2024.

BOARD OF DIRECTORS' PROFILES

CONT'D

SOH ENG HOOI

Independent Non-Executive Director

Malaysian | Female | 56

Ms Soh Eng Hooi, was appointed to the Board as an Independent Non-Executive Director on 15 May 2018. She was also appointed as a member of the Audit & Risk Management Committee (ARMC) on 15 May 2018 and subsequently re-designated as the Chairman of ARMC on 1 January 2019. Ms Soh was appointed as a member of the Nomination & Remuneration Committee on 8 March 2021.

Ms Soh graduated from University of Malaya with a Bachelor of Accounting (Honours) in 1994. Ms Soh is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. Ms Soh started her career with Arthur Andersen & Co. Kuala Lumpur and was a partner in Baker Tilly Kuala Lumpur before she founded E H Soh & Partners, an accounting firm, in 2015.

Ms Soh serves as an Independent Non-Executive Director of MN Holdings Berhad and Warisan TC Holdings Berhad. She does not have any interest in the securities of the Company and has no family relationship with any other Director and/or major shareholder of the Company.

Ms Soh attended all four Board Meetings held during the Financial Year Ended 31 December 2024.

JAMILAH BINTI KAMAL

Independent Non-Executive Director

Malaysian | Female | 62

Puan Jamilah Binti Kamal, was appointed to the Board on 1 March 2022 as an Independent Non-Executive Director.

Puan Jamilah obtained her BA Honours in Economics in 1985 from Carleton University, Ottawa, Ontario Canada. She started her career in 1985 with Tenaga Nasional Berhad (TNB) in various departments, from the commercial department to marketing & distribution division. From the year 2000 to 2014, Puan Jamilah was seconded to Malaysian Industrial Development Authority (MIDA) as TNB's representative to deal with matters related to electricity supply to existing and potential, local and foreign investors and participated in Trade and Investment missions abroad organised by MIDA, led by the minister of Ministry of International Trade & Industry (MITI) to major investment cities in Europe, United Kingdom, United States of America & Australia.

Puan Jamilah became the General Manager/Head of Regulatory & Stakeholder Management in the year 2014. She was instrumental in shaping favourable regulatory outcomes & produced insightful industry and energy analyses to ensure TNB's strategic advantage & business sustainability, working closely with Government agencies such as MIDA, Energy Commission, Ministry of Energy, Economic Planning Unit, and industry players such as FMM, MICCI, AMCHAM, MISIF, FOMCA and C & CA. She was involved in the program for the implementation of Advanced Metering Infrastructure (AMI)/Smart Meters for 11 months before her retirement in January 2022, after a long and distinguished career with TNB.

Puan Jamilah sits on the Board of JF Technology Berhad as an Independent Non-Executive Director.

Puan Jamilah has a direct interest of 10,000 ordinary shares in the Company. She does not have any family relationship with any other Director and/or major shareholder of the Company.

Puan Jamilah attended all four Board Meetings held during the Financial Year Ended 31 December 2024.

BOARD OF DIRECTORS' PROFILES

CONT'D

MOHD IHWAN BIN MOHAMED YASSIN

Independent Non-Executive Director

Malaysian | Male | 46

Encik Mohd Ihwan Bin Mohamed Yassin, was appointed to the Board on 1 November 2024 as an Independent Non-Executive Director.

Encik Mohd Ihwan has 24 years of experience in the fertiliser industry and has built and maintained relationships with Malaysia's biggest plantation companies. He is the Founder, Owner and Executive Director of Agritech Trade and Services Sdn Bhd (Agritech) since 2011.

He built up Agritech from a small enterprise into a well-established and reliable industry player in the fertilizer industry in Malaysia and was responsible for steering the Company and oversees the sales, operation, human resource and finance departments. He formulates strategic directions and key initiatives by evaluating changes in business environment, accessing risks & opportunities and adopting timely actions to capitalize on potential business growth.

Encik Mohd Ihwan does not hold any directorships of other public companies.

Encik Mohd Ihwan does not have any interest in the securities of the Company or its subsidiaries. He does not have any family relationship with any other Director and/or major shareholder of the Company.

Encik Mohd Ihwan was appointed on 1 November 2024, he did not attend any Board Meeting held during the Financial Year Ended 31 December 2024 due to prior commitment.

Notes

1. None of the Directors have entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company.
2. None of the Directors have any convictions for any offences within the past 5 years other than traffic offences.
3. None of the Directors have any public sanctions & penalties imposed by any regulatory bodies during the financial year 2024.

GROUP MANAGEMENT PROFILES

TOH WOAN FEI

Chief Financial Officer

Malaysian | Female | 45

Toh Woan Fei, is the Chief Financial Officer of NHB and its subsidiaries. Ms Toh joined the Group on 1 December 2023. She graduated with a Bachelor of Commerce from La Trobe University, Australia in 2001 and is a Registered Chartered Accountant with the Malaysian Institute of Accountants (MIA).

CHING CHUN KEONG

Company Secretary

Malaysian | Male | 30

Mr Ching Chun Keong, was appointed as the Company Secretary of NHB and its subsidiaries on 1 July 2023. He graduated with a Bachelor of Corporate Administration from Tunku Abdul Rahman University of Management and Technology and was certified as a Chartered Secretary and Chartered Governance Professional by the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). He has obtained the Practicing Certificate awarded by Companies Commission of Malaysia which qualify him to act as Company Secretary.

Notes

None of the Group's Management:

1. Own any equity interest in the Company.
2. Hold any directorships of other public companies.
3. Have any family relationship with any director &/or major shareholder of the Company.
4. Have entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company.
5. Have any convictions for any offences and public sanctions & penalties imposed by any regulatory bodies other than traffic offences within the past five years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Malaysian Code of Corporate Governance defines corporate governance as: “the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of the other stakeholders.”

The Board of Directors (“Board”) remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Group and to ensure the highest standards of accountability and transparency. The Board supports the Corporate Governance Framework and continues to improve existing practices and achieve the objectives of the Group.

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Malaysian Code on Corporate Governance (“MCCG 2021”) known as Board Leadership and Effectiveness (Principal A), Effective Audit and Risk Management (Principal B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principal C) throughout the Financial Year Ended 31 December 2024 (“FYE 2024”).

The details of the Group’s application for each practice set out in the MCCG 2021 during the FYE 2024 are disclosed in the Corporate Governance Report (“CG Report”). A copy of the CG Report is available on the Group’s website at <https://www.ilb.com.my/investor-relations/ir-corporate-governance/> and announcement on the website of Bursa Malaysia Securities Berhad.

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

Currently, the Company has an experienced Board comprising one (1) Executive Chairman, one (1) Chief Executive Officer & Executive Director (“CEO”) and five (5) Independent Non-Executive Directors.

The Board of Directors is primarily responsible for charting and reviewing the strategic direction of the Group and delegates the implementation of these directions to the management. The independent non-executive directors are considered independent of any business or other relationship or circumstances that could interfere with the execution of their independent judgement and decision making in the best interests of the Company.

The responsibilities of the Board are inclusive of but not limited to:

- i. Charting the strategic direction and setting out short term and long-term plans for the Group.
- ii. Promoting ethical and best corporate governance culture in the Group.
- iii. Monitoring and reviewing compliance with internal control policies and risk management systems.
- iv. Monitoring compliance with relevant laws & regulations and accounting standards within the corporate and business environment.
- v. Overseeing and reviewing business operations within a systematic and controlled environment.
- vi. Monitoring the financial performance of the Group.
- vii. Appointing and determining the remuneration, duration and terms of appointment of the Executive Directors.
- viii. Assessing the performance of and developing the succession plan for the Executive Directors.

The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board’s decision-making process. Although all the Directors have equal responsibility for the Company and the Group’s operations, the role of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

The Board had appropriately delegated specific tasks to two (2) Board Committees; namely Audit & Risk Management Committee (“ARMC”) and Nomination & Remuneration Committee (“NRC”). All the Board Committees have their own terms of reference and have the authority to act on behalf of the Board within the authority as layout in the terms of reference and to report to the Board with the necessary recommendation. Both of the Board Committees are chaired by an Independent Non-Executive Director and comprise of all Independent Non-Executive Director.

To ensure balance of power and authority, accountability and independent decision making, the roles of the Chairman and CEO are distinct and separated.

The Company has a clear distinction and separation of roles between the Chairman and the CEO, with clear division of responsibilities. The Board of Directors is headed by Mr Tang Ming Yng, the Executive Chairman, who has broad exposure and extensive experience in the sales, marketing and corporate management. As Chairman, he plays a vital role in leading and guiding the Board, and also serves as the communication point between the Board and the CEO.

The Board has delegated to the CEO, Mr Tang Weihann, the authority and responsibility for implementing policies, strategies and decisions adopted by the Board. The CEO and the management team are responsible for implementing the plans chartered out and the day to day management of the Group, with clear authority delegated by the Board.

The Chairman is not a member of all Board Committee, and he will not be invited and participate in any of the Board Committees’ meetings.

The Board is guided by a Board Charter which sets out the principles governing the Board of Directors of the Company and adopts the principles of good governance and practice in accordance with applicable laws, rules and regulations in Malaysia.

The Board will review the Board Charter and make changes wherever necessary. The Board Charter is published on the Company’s corporate website at <https://www.ilb.com.my/investor-relations/ir-corporate-governance/>.

A formal Whistleblowing Policy has been established and published on the Company’s corporate website at <https://www.ilb.com.my/investor-relations/ir-corporate-governance/> to assist in ensuring that the Group’s business and operations are conducted in an ethical, moral and legal manner. The Whistleblowing Policy is designed to encourage employees or external parties to disclose suspected malpractice or misconduct and to provide protection to employees or external parties who report allegations of such practices.

In line with the new provision, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the Board has approved an Anti-Bribery and Anti-Corruption Policy which was published on the Company’s corporate website at <https://www.ilb.com.my/investor-relations/ir-corporate-governance/>. The policy sets out the Group’s overall position to prevent bribery and corruption practices in relation to its business activities.

The Group had adopted a Directors’ Fit and Proper Policy to ensure that individuals of high calibre who possess the right blend of qualifications, expertise, track record, competency and integrity are appointed on the Boards of Directors of the Group. All candidates to be appointed to the Boards of Directors of NHB, including those seeking re-election/re-appointment, shall undergo a review of fit and properness by the Board in accordance with the Directors’ Fit and Proper Policy. The Directors’ Fit and Proper Policy is available on the Company’s website, <https://www.ilb.com.my/investor-relations/ir-corporate-governance/>.

The Board is supported by qualified and competent Company Secretaries who are responsible for ensuring that the Company’s constitutions, procedures, policies and regulations are complied with. Also ensuring that, all obligations required by the regulatory and under the Listing requirements are fulfilled in a timely manner.

The Board is regularly updated and advised by the Company Secretaries on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretaries in discharge of its functions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

None of the directors of the Company hold more than five directorships of listed companies as provided under paragraph 15.06 of the Main Market Listing Requirements.

The Board is supported by the Management Committee (“MC”), comprising Executive Directors and the management team. MC manages the sustainability policy, initiatives, targets as well as monitoring the effectiveness and performance of related initiatives.

To further strengthen the sustainability initiatives, MC communicates the Group’s sustainability direction to Environmental, Social and Governance Working Group (“ESG Working Group”). ESG Working Group comprises of appointed representatives of various divisions, who are responsible to identify, manage, and analyse sustainability categories, as well as ESG risks, and organise, implement and monitor sustainability efforts. The ESG Working Group executes and implements the initiatives and report their operational activities in a variety of ways, including monthly reports, project progress reports, safety and health reports, etc.

While we anticipate that our key stakeholders are increasingly interested to evaluate how we have managed and embraced ESG agendas, our Board delegated the ESG Working Group to elevate NHB’s sustainability efforts in line with the latest Code of Corporate Governance updated in year 2022. The ESG Working Group is expected to take on the challenging role and be the subject matter expert on ESG sustainability matters, climate risks and NHB’s business sustainability issues.

We recognise the value of interacting with our stakeholders since their feedbacks are critical in keeping our sustainability activities on track with our goal to achieving stakeholders’ expectations while reinforcing our relationships with them. At NHB, we communicate with our stakeholders through a variety of channels to identify and prioritise concerns.

As a responsible organisation, we focus on sustainable expansion of our commercial activities. We have always prioritised environmental issues and complied with applicable laws and regulations in order to reduce negative environmental effect.

The nature of NHB’s subsidiary, which generates electricity as its main business function, encourages a beneficial environmental effect. This is because solar energy is turned from the sun into electrical energy, which is the cleanest and most abundant renewable energy source accessible. We formulate our strategy and align our policies to promote green technology as it is our Government of Malaysia’s initiative for greener economy.

At NHB, we recognise that climate change is the single biggest health threat facing humanity, and we are responding to the health harms caused by the unfolding crisis. Undeniably, it impacted our business in terms of both risks and opportunities and affected our operations, services, goals and business strategy. Recognising the importance, we are currently compiling more relevant data and information to address the climate change and undertake the risk as part of our risk assessment.

At NHB, we periodically review and update our sustainability material matters we face and captured the input from our stakeholders, whom we collaborate in engaging and assessing the magnitude of risks and opportunities, shape our strategy and discuss our resources allocation in relation to ESG topics. The discussion is also facilitated by selective Heads of Department and key management staff. Following that, the sustainability matters were assessed based on their relevance to the stakeholders and the Group’s business.

Our methodology is still driven by the Bursa Malaysia Sustainability Reporting Guidelines and Toolkits, which include compilation and mapping material matters to a materiality matrix.

The yearly Board of Directors’ Evaluations (“BOD Evaluations”) have been performed by all Directors are as follows:-

- Individual Directors’ Evaluation Form;
- Board ESG and Sustainability Evaluation Form;
- Independent Directors’ Self-Assessment Checklist;
- Board Skills Matrix Form;
- Board and Board Committee Evaluation Form; and
- ARMC Evaluation Form.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

Based on the summary of the abovementioned BOD Evaluations assessment, it was concluded that :-

- The Board was well-balanced after taking into account the Board members' wide experience and exposure in various fields, i.e. commercial, financial, technical, corporate and legal, their diverse skill and qualities.
- The Company had an effective Board and each of the Directors possessed their own qualities, skills, expertise and experience in discharging their functions effectively as expected from each of them.
- All the Independent Directors also provided confirmation, either verbally or written, in respect of their independence respectively.

The Board meets on a quarterly basis with additional meetings being convened when necessary to address urgent matters. All the Directors have complied with the minimum attendance requirements as stipulated by the Main Market Listing Requirements of Bursa Malaysia. The Board met on six occasions during the year ended 31 December 2024 and the details of attendance at Board Meetings is set out below.

	Number of Meetings Attended	Total Number of Meetings
Executive Chairman		
Tang Ming Yng	4	4
Executive Directors		
Tang Weihann	4	4
Independent Non-Executive Directors		
Wan Azfar Bin Dato' Wan Annuar	4	4
Dato' Wan Hashim bin Wan Jusoh	4	4
Soh Eng Hooi	4	4
Jamilah binti Kamal	4	4
Mohd Ihwan bin Mohamed Yassin	0	1

All new appointees to the Board are given an introduction to familiarise themselves with the Group's operations so as to assist them in discharging their duties and responsibilities. They are required to attend the Mandatory Accreditation Programme by Bursa Malaysia and thereafter to continually upgrade their knowledge and exposure through in-house training programmes as well as courses conducted by external parties.

The Board oversees the training needs of its Directors. Directors are regularly updated on the Group's businesses and the competitive and regulatory environment in which they operate. Directors are encouraged to visit the Group's operating centres to have an insight into the Group's various operations which would assist the Board to make effective decisions relating to the Group.

The Directors recognise the importance of continuing development by attending conferences, briefings and workshops to update their knowledge and enhance their skills. All Directors are encouraged to attend various external professional programmes relevant and useful in contributing to the effective discharge of their duties as Directors. In this respect, in-house briefings by External Auditors, solicitors and/or Management are organised from time to time to update Directors on relevant statutory and regulatory requirements and the Group's business and operational practices.

Training programmes and seminars attended by the Directors of the Company during the FYE 2024 are as follows:

Name of Directors	Date	Seminar / Training Course Title
Tang Ming Yng	22 August 2024	Briefing on Greenhouse Gas (GHG) Inventory and Reporting by myESG Sdn Bhd
	27 November 2024	Anti-Corruption Training for Directors by Amethyst Destiny Sdn Bhd
Tang Weihann	22 August 2024	Briefing on Greenhouse Gas (GHG) Inventory and Reporting by myESG Sdn Bhd
	27 November 2024	Anti-Corruption Training for Directors by Amethyst Destiny Sdn Bhd

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

Training programmes and seminars attended by the Directors of the Company during the FYE 2024 are as follows: (continued)

Name of Directors	Date	Seminar / Training Course Title
Dato' Wan Hashim bin Wan Jusoh	22 August 2024	Briefing on Greenhouse Gas (GHG) Inventory and Reporting by myESG Sdn Bhd
	27 November 2024	Anti-Corruption Training for Directors by Amethyst Destiny Sdn Bhd
Wan Azfar bin Dato' Wan Annuar	22 August 2024	Briefing on Greenhouse Gas (GHG) Inventory and Reporting by myESG Sdn Bhd
	27 November 2024	Anti-Corruption Training for Directors by Amethyst Destiny Sdn Bhd
Soh Eng Hooi	5 – 6 February 2024	Bursa Malaysia Securities Berhad: Mandatory Accreditation Programme (Part II) – Leading for Impact (LIP)
	7 March 2024	Malaysian Institute of Accountants (“MIA”): Mastering your Personal Taxes: Avoiding Common Mistakes in Income Tax Return Form Lodgement
	18 March 2024	Warisan TC Holdings Berhad (“WTCH”): Conflict of Interest & Related Party Transactions – Disclosure Obligations of Directors & Key Officers on Conflict of Interest under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
	28 May 2024	MIA: ISA 600 (Revised) Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)
	24 July 2024	MIA: MPERS – Practical Issues and Fair Value Measurements
	30 July 2024	WTCH: Code of Business Conduct & Ethics (Yearly Refresher Training)
	31 July 2024	MIA: Related Party Transactions and Disclosures in MFRS 124 and MPERS - with Practical Illustrations
	22 August 2024	Briefing on Greenhouse Gas (GHG) Inventory and Reporting by myESG Sdn Bhd
	24 September 2024	MIA: Sole Proprietorship – Business Continuity Planning
	3 October 2024	MIA: e-Invoicing Solutions – Simplified Tax Compliance
	7 October 2024	MIA: Data Compliance Report 2024 – The Essentials and Preparations Before Submission
	12 November 2024	MIA Town Hall 2024/2025 (Session 1)
	19 November 2024	Securities Commission Malaysia (“SC”): Invitation to the SC’s Audit Oversight Board Conversation with Audit Committees
	27 November 2024	Anti-Bribery & Anti-Corruption by Amethyst Destiny Sdn Bhd
	12 December 2024	WTCH Group Compliance Department: 2024 Anti-Bribery and Anti-Corruption, Gratification/ Entertainment/ Hospitality, Fraud Prevention & Special Complaint (Yearly Refresher Training)
	13 December 2024	WTCH Group Compliance Department: 2024 Anti-Money Laundering/ Countering Financing Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions (AML/CFT/CPF/TFS)
	19 December 2024	WTCH: 2024 Defensive Driving Training (Yearly Refresher Training)
	24 December 2024	WTCH: 2024 Cybersecurity Awareness Training (Yearly Refresher Training)
	29 December 2024	WTCH: 2024 Office Safety Training (Yearly Refresher Training)
	Jamilah Binti Kamal	22 August 2024
27 November 2024		Anti-Corruption Training for Directors by Amethyst Destiny Sdn Bhd
Mohd Ihwan bin Mohamed Yassin	27 November 2024	Anti-Corruption Training for Directors by Amethyst Destiny Sdn Bhd

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II Board Composition

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

The Non-Executive Directors are not employees of the Company and do not participate in the day to day management of the Company. All five (5) Independent Non-Executive Directors are independent directors and are able to express their views without any constraint. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. Should any director have an interest in any matter under deliberation, he is required to disclose his interest and abstain from participating in discussions on the matter. The NRC has reviewed the performance of the independent directors and is satisfied that they have discharged their responsibilities in an independent manner.

The Constitution of the Company provides that all Directors of the Company shall retire from office at least once every three years but shall be eligible for re-election. At least one third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to one-third, shall retire from office at each Annual General Meeting ("AGM"). A retiring Director shall be eligible for re-election. This provides an opportunity for shareholders to renew their mandates.

The MCGG 2021 stipulates that the tenure of an Independent Director of the Company should not exceed a cumulative term of nine years. An Independent Director may continue to serve the Board subject to re-designation as a Non-Independent Director. In the event the Board intends to retain the Independent Director after serving a cumulative term of nine years, justification should be provided and shareholders' approval will be sought through a two-tier voting process.

As Encik Wan Azfar bin Dato' Wan Annuar would have served as Independent Non-Executive Director ("INED") for more than 9 years since his re-designation on 19 August 2015. Following the annual assessment, the Board intends to retain En Wan Azfar bin Dato' Wan Annuar as INED and will seek shareholders' approval at the forthcoming AGM.

Key justifications to recommend Encik Wan Azfar bin Dato' Wan Annuar's continuance as INEDs are as follows:

- (a) He has actively participated in Board deliberation, provide objectively in decision-making and possess sufficient self-esteem and confidence to stand up with an independent voice of the Board.
- (b) He has exercised due care during his tenure and carried out his professional duties in the best interest of the Company and shareholders.
- (c) He had not developed, established or maintained any significant relationship which could impair his independence as INED, with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out his duties as INED or member of the Board Committees.
- (d) He has contributed sufficient time and efforts in attending meetings of the Board and Board Committees.

The NRC had reviewed and assessed the independence of INEDs and their tenure of service. The NRC is satisfied that the INEDs of the Company continue to demonstrate independence through their engagement in meetings by bringing objective and independent judgement to decisions taken by the Board. The INEDs of the Company had also devoted sufficient time and attention to the Group's affairs.

The Board acknowledges the importance of age, nationality, professional background & gender diversity and recognises the benefits that such diversity can bring. The NRC considers diversity generally when making appropriate appointments to the Board, taking into account relevant skills, ethnicity, age, experience and knowledge. Notwithstanding the challenges in achieving the appropriate level of diversity on the Board, the Company will work towards addressing this as and when vacancies arise and suitable candidates are identified. The Company's primary responsibility in new appointments to the Board and management must always be to select the best candidates available.

In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.

The Board currently has two (2) female director. With the current composition, the Board is of the view that its members have the necessary knowledge, experience and competence to enable them to discharge their duties and responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II Board Composition (continued)

The recruitment or promotion to the Board or senior management role will be based on skills, competencies, knowledge, experience and contribution.

Details of the Directors seeking re-election are set out in the Directors Profiles section, their shareholdings in the Company, position & relationship and details of attendance at Board Meetings are set out in the annual report.

Based on the assessment and evaluation conducted by the NRC, the retiring Directors met the performance criteria required of an effective and a high-performance Board.

The Board of Directors, taking into the recommendation of NRC, supported the retiring Directors of their re-election as Director at the AGM of the Company.

III Remuneration

The level and composition of remuneration of directors and senior management take into account the Company's desire to attract and retain the right talent in the board and senior management to drive the Company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

The Company's NRC reviews the remuneration of the Board and Senior Management from time to time with a view to ensure the Company offers fair compensation and is able to attract and retain talent who can add value to the Company. Fees paid to Non-Executive Directors are tabled at the Company's AGM for approval.

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the Company's performance.

The Details of the Directors' remuneration comprising remuneration received from the Company and its subsidiaries in the financial year ended 31 December 2024 are as follows:

Company

	RM'000					
	Salaries	Fees	Bonus	Other Remuneration	Benefits -in-kind	Total
Non-Executive Directors						
Datuk Karownikaran @ Karunikaran Ramasamy <i>(Retired on 5 February 2024)</i>	–	10	–	1	–	11
Tee Tuan Sem <i>(Redesignated to Non-Independent Non-Executive Director on 31 March 2024) (Retired on 18 October 2024)</i>	150	66	–	29	–	245
Wan Azfar bin Dato' Wan Annuar	–	67	–	8	–	75
Dato' Wan Hashim bin Wan Jusoh	–	67	–	8	–	75
Soh Eng Hooi	–	90	–	8	–	98
Jamilah binti Kamal	–	67	–	3	–	70
Mohd Ihwan bin Mohamed Yassin <i>(Appointed on 1 November 2024)</i>	–	10	–	–	–	10

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (continued)

III Remuneration (continued)

Company (continued)

	RM'000					
	Salaries	Fees	Bonus	Other Remuneration	Benefits -in-kind	Total
Executive Directors						
Tang Ming Yng (Appointed on 5 February 2024)	652	–	–	79	–	731
Tang Weihann (Appointed on 1 April 2024)	360	–	–	44	–	404
Makoto Takahashi (Retired on 31 March 2024)	120	–	–	8	–	128
Total	1,282	377	–	188	–	1,847

Group

	RM'000					
	Salaries	Fees	Bonus	Other Remuneration	Benefits -in-kind	Total
Non-Executive Directors						
Datuk Karownikaran @ Karunakaran Ramasamy (Retired on 5 February 2024)	–	10	–	1	–	11
Tee Tuan Sem (Redesignated to Non-Independent Non-Executive Director on 31 March 2024) (Retired on 18 October 2024)	150	66	–	29	–	245
Wan Azfar bin Dato' Wan Annuar	–	72	–	8	–	80
Dato' Wan Hashim bin Wan Jusoh	–	72	–	8	–	80
Soh Eng Hooi	–	90	–	8	–	98
Jamilah binti Kamal	–	72	–	3	–	75
Mohd Ihwan bin Mohamed Yassin (Appointed on 1 November 2024)	–	10	–	–	–	10
Executive Directors						
Tang Ming Yng (Appointed on 5 February 2024)	652	–	–	79	–	731
Tang Weihann (Appointed on 1 April 2024)	360	–	–	44	–	404
Makoto Takahashi (Retired on 31 March 2024)	120	–	–	8	–	128
Total	1,282	392	–	188	–	1,862

The remuneration of Senior Management is not disclosed as the Board is of the opinion that such disclosure would be disadvantageous to the Group's business interests, given the highly competitive nature of the industry.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit & Risk Management Committee (ARMC)

There is an effective and independent ARMC. The Board is able to objectively review the ARMC's findings and recommendations. The Company's financial statements is a reliable source of information.

The ARMC oversees the integrity of the financial statements, compliance with relevant accounting standards and the Group's risk management and internal controls. The ARMC had five meetings during financial year ended 31 December 2024 and comprises:-

- i. Soh Eng Hooi (*Chairman*)
- ii. Wan Azfar bin Dato' Wan Annuar
- iii. Dato' Wan Hashim bin Wan Jusoh

The Board strives to provide true and fair financial reporting of the Group's performance in the audited financial statements and quarterly financial reports, in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 ("Act").

The ARMC exercises professional oversight of the integrity of the financial reports before presenting the financial statements to the Board for approval. The ARMC also represented to the Board with support and clarifications from the external auditors that the financial statements & reports presented are in compliance with applicable approved accounting standards in Malaysia and the provisions of the Act to give a true and fair view of the Group's performance and financial position.

The Board has a formal and transparent relationship with the external auditors. The ARMC recommends to the Board on the appointment of the external auditors which is subject to the approval of shareholders at the AGM whilst their remuneration is determined by the Board. The role of the ARMC is further set out in their Report. The Board has private sessions and dialogues through the Committee with the external auditors, in the absence of the executive directors and the management. For the year under review, there was two such dialogue session with the external auditors.

It is the practice of the ARMC to conduct annual assessment of the external auditor. Areas of assessment include among others, the external auditors' objectivity and independence, size and competency of the audit team, audit strategy, audit reporting, partner involvement and audit fees. In support of the assessment on independence, the external auditors provide the ARMC with assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. Premised on the assessment result, the ARMC will make recommendation to the Board for re-appointment of external auditors accordingly. During the financial year, the amount of non-statutory audit fees paid to external auditors was RM82,000, being the fee for services rendered in reviewing the Statement of Risk Management and Internal Control reviewing the Company's quarterly report and the compilation of the Proforma Consolidated Statement for merger and acquisition.

The ARMC comprises of all Independent Non-Executive Directors and at least one member fulfills qualifications prescribed by Bursa via paragraph 15.09(1)(c) and paragraph 7.1 of Practice Note 13 of the Main Market Listing Requirements.

II Risk Management and Internal Control Framework

The Company makes informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The Board is provided with a reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

The ARMC oversees the Group's risk management and internal control.

NHB has in place its established Risk Management Policy, which reflects the framework for Enterprise-wide Risk Management and Internal Control System. Such framework states the Company's tolerance level for risk, and process in place to identify, assess and monitor key business risks arising from the existing environment and foreseeable future event in achieving the Company's corporate objectives, safeguarding the Company's assets, as well as shareholders' investments/interest (excluding associates and jointly controlled entities).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

II Risk Management and Internal Control Framework (continued)

The Board has the ultimate responsibility for reviewing and approving the Company's risk framework, risk profile and related policies. Relevant internal control systems are implemented for the day to day operations of the Group. The independent professional service provider, Sterling Business Alignment Consulting Sdn Bhd ("IA"), have an independent reporting on risk management and internal controls to the ARMC. The framework is continually monitored by IA to ensure it is responsive to the changes in the Group's Corporate Structure and is authorised to conduct independent audits of all the departments and offices within the group. It reports its internal audit findings to the ARMC on a half-yearly basis.

The ARMC reviews, deliberates, and evaluates the effectiveness and efficiency of the internal control systems in the organisation which are designed to manage and mitigate rather than eliminate risks in achieving the Company's corporate objectives, safeguarding the company's assets as well as investors interests.

Company has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The Board is assisted by ARMC in the oversight of risk management and internal control system of the Group and supported by the Executive Directors and senior management of the Group in the implementation of the Board's policies & procedures on risk management and internal control. IA provides independent internal audit services to the core business of the Group and adopts a risk-based approach and prepares its audit strategy and plan based on the risk assessment of the business units of the Group.

The Board is cognisant of the fact that they are responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control System. The Board recognises the importance of good corporate governance and is committed to maintain a sound system of internal controls and risk management. This includes the establishment of an appropriate control environment and risk management framework, processes and structures, and a continuous review of the adequacy and integrity of the said systems to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following statement, which outlines the nature and scope of risk management and internal controls of the Group during the year.

The Statement on Risk Management and Internal Control furnished on the Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I Communication with Stakeholders

There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value and recognises the importance of timely dissemination of information to shareholders or stakeholders.

The Board monitors all price sensitive information potentially required to be released to Bursa Malaysia and makes material announcements to Bursa Malaysia in a timely manner. In line with best practices, the Board strives to disclose price sensitive information to the public as soon as practicable through Bursa, the media and the Company's website.

Price sensitive information is defined as any information that on becoming generally available would tend to have a material effect on the market price of the Company's listed securities. The Company Secretaries are responsible to compile such information for the approval of the Board soonest possible and release such information to the market as stipulated by Bursa Malaysia.

Apart from the provisions relating to the "closed period" for dealing in the Company's shares, the directors and senior management privy to price sensitive information are prohibited from dealing in the shares of the Company until such information is publicly available. The Company's website at www.ilb.com.my is regularly updated and provides relevant information on the Company which is accessible to the public to make informed decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

II Conduct of General Meetings

Shareholders are able to participate, engage the Board and senior management effectively and make informed voting decisions at general meetings.

The AGM is the principal forum for dialogue and interaction with the shareholders. The Board is committed to provide shareholders with comprehensive and timely information about the Group's activities and performance to enable investors make informed decisions. Shareholders are encouraged to attend General Meetings and use the opportunity to ask questions on resolutions being proposed and, on the progress, performance and future prospects of the company.

The Chairman and Board members, with the assistance of senior management and external auditors, where appropriate, are responsible to respond and provide explanations on matters raised. In accordance with the recommendations of the MCCG 2021, the Company gives its shareholders at least 28 days prior notice of the AGM of the Company.

Information on the Group's activities is provided in the Circulars, Annual Report and Financial Statements which are despatched to shareholders. The Company also encourages shareholders and investors to access online the Company's Annual report and up to date announcements, which are made available at the Bursa Malaysia website and the Company's own website.

Investors and the public who wish to contact the Group on any enquiry, comment or proposal can channel them through e-mail or contact the following persons:-

Name	Contact No.	E-mail address
Ching Chun Keong, Group Company Secretary	03-6151 6278	investorrelation@nuenergy.com.my

All resolutions set out in the notice of general meetings will be carried out by poll voting. The Board makes an announcement of the detailed results showing the number of votes cast for and against on each resolution at general meetings to facilitate greater shareholder participation.

This Corporate Governance Overview Statement was adopted by the Board of Directors on 25 April 2025.



OTHER DISCLOSURES

1. UTILISATION OF PROCEEDS

There was no corporate proposal to raise funds during the financial year 2024.

2. AUDIT FEES AND NON-AUDIT FEES

For financial year 2024, the amount of audit fees and non-audit fees paid or payable by the Group and the Company to the External Auditors are as follows:

	Group (RM)	Company (RM)
Audit Fees	185,000	120,000
Non-Audit Fees	82,000	82,000

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group which involved directors and/or major shareholders' interests during the financial year 2024.

4. VARIANCE IN RESULTS

There was no material variance between the results for the financial year 2024 and the unaudited results previously announced by the Company. The Company did not release any profit estimate, forecast or projections during the financial year 2024.

5. OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

There was neither issuance, conversion nor exercise of Options, Warrants and Convertible Securities during the financial year 2024.

6. RELATED PARTY TRANSACTION AND RECURRENT RELATED PARTY TRANSACTION

Save for the transactions as disclosed in Note 28 to the financial statements, there was no other transactions entered into with the related parties during financial year 2024.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of the Group is pleased to present the Audit & Risk Management Committee (“ARMC”) Report for the financial year ended (“FYE”) 31st December 2024.

MEMBERSHIP

The ARMC of the Group comprises the following members:

Chairperson

Soh Eng Hooi

Independent Non-Executive Director

Members

Wan Azfar bin Dato’ Wan Annuar

Independent Non-Executive Director

Dato’ Wan Hashim bin Wan Jusoh

Independent Non-Executive Director

The ARMC comprises three (3) Non-Executive Directors during FYE 31st December 2024, all of whom are Independent Directors. The Chairperson of ARMC, Ms. Soh Eng Hooi is a Member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

The composition of the ARMC and the qualification of the members comply with Paragraph 15.09 (1) of the Main Market Listing Requirement of Bursa Securities (“MAIN LR”).

The Committee carries out its duties and responsibilities in accordance with its Terms of Reference which is available on the Company’s website at <https://www.ilb.com.my>.

ARMC has the authority to investigate any matter within its Terms of Reference. In this regard, ARMC has full and unrestricted access to any information pertaining to the Group, co-operation from Management, direct communication channels with the external and internal auditors and reasonable resources to enable it to discharge its functions appropriately.

MEETINGS AND MINUTES

During the FYE 31st December 2024, the ARMC held a total of five (5) meetings. The Company Secretary was in attendance during the meetings and the Chief Executive Officer, Chief Financial Officer, Internal Auditors, External Auditors and other senior management personnel, where necessary, were invited to the meetings to deliberate on matters within their purview.

Minutes of each ARMC meeting were recorded and tabled for confirmation at the following ARMC meeting. After each ARMC meeting, the ARMC Chairperson reported on matters deliberated to the Board for their notation including matters of significant concern as and when raised by the External Auditors or Internal Auditors. Matters reserved for Board approvals are tabled at Board meetings. Upon Board’s approval, the decisions made are forwarded to the management for their actions. ARMC may also take action by way of circular resolutions in lieu of convening a formal meeting.

The details of attendance of the ARMC members are as follows:

Committee Members Attendance	Meeting
Soh Eng Hooi	5/5
Wan Azfar bin Dato’ Wan Annuar	5/5
Dato’ Wan Hashim bin Wan Jusoh	5/5

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE ARMC

The ARMC's activities for the financial year under review comprise the followings:-

1. Financial Reporting

- In overseeing the Group's financial reporting processes, ARMC reviewed and discussed the Group's unaudited quarterly financial results and final draft audited financial statements with the management and external auditors at the ARMC meetings, to ensure compliance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016, as well as discussing the performance of the Group, before presentation to the Board for consideration and approval.
- Reviewed and discussed on the impact of any changes/adoption of new accounting standards, auditing and regulatory issues to the Group's financial reporting processes.
- Reviewed and assessed the adequacy of the processes and controls in place for effective and efficient financial reporting and that reasonable judgement and estimates had been made in accordance with the requirements set out in the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016.

2. Related Party Transaction ("RPT")

- Reviewed the RPT that may arise within the Company and its Group and apprised the Board that there were no significant RPT situations which arose within the Company or Group, including any transaction, procedure or course of conduct that raised questions of the Management's integrity during the financial year.

3. External Audit

- Reviewed and discussed with the external auditors, prior to the commencement of audit, the audit planning memorandum which include matters pertaining to the audit service team, scope of the work, significant risks and areas of key audit focus, basis in which the external auditors assess materiality, technical updates, independent policies and procedures, timeline, fraud responsibilities etc.
- Reviewed and discussed with external auditors on major audit findings arising from the external audit and resolution of the findings, including key audit matters and control weaknesses raised by the external auditors in their auditors' report.
- Met with the external auditors without the presence of executive Board members and management personnel.
- Reviewed the audit fees before recommending to the Board for approval.
- Reviewed the competency, resource capacity, objectivity, professionalism and the independence of the external auditors. ARMC undertakes to review the independence and suitability of the external auditors in the provision of non-audit services to the Company and the Group. In considering the nature and scope of non-audit services and related fees, ARMC will need to satisfy that they were not likely to impair their independence. Baker Tilly Monteiro Heng PLT has also given their independence assurance throughout their audit works for FY2024. Pursuant thereto, ARMC has recommended to the Board for the re-appointment of Baker Tilly Monteiro Heng PLT as external auditors of the Company at the forthcoming Annual General Meeting based on the competency, resource capacity, objectivity, professionalism and the independence of the external auditors.

4. Internal Audit

- Reviewed and approved the internal audit plan for year 2024/2025 from the outsourced internal audit service provider, Sterling Business Alignment Consulting Sdn Bhd ("Outsourced IA") to ensure that the scope and coverage of the internal audit on the operations of the Group is adequate and major risk areas are audited accordingly in line with the latest development of the Group and the business environment.
- Discussed and reviewed the internal audit reports presented by Outsourced IA on a half yearly basis. ARMC considered major findings and areas required improvements highlighted by Outsourced IA and responses from management thereto, including follow-up on status of actions taken by Management to address issues raised in previous internal audit.
- Reviewed the independence, competency, performance and effectiveness of the internal audit function.
- Met with the internal auditors without the presence of executive Board members and management personnel.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

5. Risk Management

- Assisted the Board in overseeing and reviewing the Risk Management Policy, which reflects the framework for Enterprise-wide Risk Management and Internal Control System. Such framework which is based on guidelines of ISO 31000 states the Company's tolerance level for risk and process in place to identify, assess and monitor key business risks arising from the existing environment and foreseeable future events.
- Reviewed Group's risk management process including the process in identifying, evaluating, approving and reporting risk and monitoring conflict of interest situations and transactions and the key consideration to be taken in reviewing the related party transactions or conflict of interest situation.
- Oversaw the risk management process of the Group with the support from the Executive Directors and senior management of the Group in the implementation of the Board's policies & procedures on risk management.
- Reviewed and evaluated operational and financial performance of the Group to ensure that appropriate measures were taken to address any significant risks.

6. Conflict of Interest (COI)

- To promote greater transparency on COI of key persons in the Group, including the implementation of controls to address COI risks, the Company has incorporated an Enhanced COI Framework in its Board Charter. Under the Enhanced COI Framework, all Directors and employees within the Group are mandated to sign annual COI Declaration Form.
- The ARMC reviewed on a quarterly basis, if any, conflict of interest declaration and confirmation received from Directors and Key Senior Management of the Group, and the measures taken to resolve, eliminate or mitigate such conflicts, and reported to the Board the outcome thereof.
- During the financial year under review, the ARMC ensured adequate oversight over the implementation of controls on the identification of the interested parties and COI situation, including pertinent mitigating measures, before recommending to the Board for approval of such transactions, where the COI resided.

7. Others

- Reviewed the following prior to recommending to the Board for approval for inclusion in this Annual Report:
 - o the Statement on Risk Management and Internal Control; and
 - o Audit & Risk Management Committee Report.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by Outsourced IA, an outsourced service provider, which reports directly to the ARMC on its activities based on internal audit plans as approved by ARMC. Its principal function is to undertake regular and systematic review of the internal control system within the Group so as to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes.

On a half-yearly basis, Outsourced IA presented their audit reports which included their findings and recommendations for improvements to the ARMC for review and deliberation. The ARMC evaluated the adequacy of the responses, actions and measures taken/to be taken by the management within the required timeframe in resolving the audit issues reported. Outsourced IA also carried out follow-up reviews to monitor the implementation of the said actions plans and measures reported to the ARMC. The ARMC Chairperson then briefed the Board on the internal audit reports on any major findings.

During the year under review, Outsourced IA had performed internal control review on the Group's operations in respect on Solar Farm Management and Anti-Bribery Management System Gap Assessment.

The total cost incurred by the engaging Outsourced IA relating to Internal Audit function for the FYE 2024 amounted to RM36,230.11.

NOMINATION & REMUNERATION COMMITTEE (“NRC”)

The Board, through the NRC, ensures that it recruits to the Board only individuals of sufficient caliber, knowledge and experience to fulfil the duties of a Director appropriately.

The NRC consists of three (3) Independent Non-Executive Directors and its Chairman is an Independent Non-Executive Director appointed by the Board.

The NRC comprise of the following during the financial year ended 31 December 2024:

Wan Azfar bin Dato’ Wan Annuar	- Chairman / Independent Non-Executive Director
Dato’ Wan Hashim bin Wan Jusoh	- Member / Independent Non-Executive Director
Soh Eng Hooi	- Member / Independent Non-Executive Director

OBJECTIVES

- (a) Ensure an appropriate balance of experience and abilities on the Board.
- (b) Propose and recommend suitable candidates to the Board and to fill the seats on Board committees, guided by NHB Director Fits and Proper Policy.
- (c) Review the composition and effectiveness of the Board and the Board Committees in terms of the required mix of skills, expertise, attributes and core competencies of the Directors as well as the contribution of each individual Director on an annual basis.
- (d) Recommend to the Board the framework on terms of employment and elements of remuneration of the Executive Directors.
- (e) Review the terms of office and performance of the Committee annually.
- (f) Review and recommend to the Board the annual bonus and salary increment of the Executive Directors and the remuneration of the Non-Executive Directors.

COMPOSITION

The Terms of the Nominating Committee provides that the Board shall appoint members to the Nominating Committee from amongst its members. The Nominating Committee shall comprise exclusively of Non-Executive Directors with at least three (3) members. Majority of the members of the Nominating Committee shall be independent. The Chairman of the Nominating Committee shall be an Independent Non-Executive Director appointed by the Board.

In the absence of the Nominating Committee Chairman, the remaining members present shall elect one of them to chair the meeting.

RESPONSIBILITIES

- (a) Ensure an appropriate balance of experience and abilities on the Board.
- (b) Review from time to time the size, structure and composition of the Board.
- (c) Assessment of the independence of directors who have served for a cumulative term of more than nine years, and make appropriate recommendations to the Board.
- (d) Consider candidates for appointment, whether as Executive or Non-Executive Directors.
- (e) Make recommendations to the Board on the re-appointment of Non-Executive Directors at the end of their term.
- (f) Advise the Board on the issue of succession planning.
- (g) Annual Performance Assessment of the Board of Directors.
- (h) Recommend to the Board a competitive compensation and remuneration package for Executive Directors in order to attract talent and experience needed for the continued progress of the Group.
- (i) Recommend to the Board a competitive remuneration package for Non-Executive Directors who have the necessary skills and experience to bring independent judgement to bear on the issues of strategy, performance and resources for the success of the Group.
- (j) Review and recommend annual compensation and reward for all Directors. A Director should abstain from discussion on his/her own remuneration.

NOMINATION & REMUNERATION COMMITTEE (“NRC”)

AUTHORITY

The Committee is authorised by the Board to act on all matters within its terms of reference and other matters as may be approved by the Board from time to time.

REPORTING

In discharging the above responsibilities, the Committee shall report to the Board on :-

- (a) The effectiveness of the present size of the Board of Directors.
- (b) The effectiveness of the composition of the Board of Directors and the mix of Executive and Non-Executive Directors.
- (c) The existence of, or potential conflicts of interest involving the Board members.
- (d) The contribution of individual Directors in decision making at the Board level.
- (e) A continuous education program for Board members to upgrade their skills and enhance their effectiveness.

MEETINGS

- (a) Meetings of the Committee shall be held as and when necessary but at least twice a year.
- (b) The Committee shall be provided with sufficient resources to undertake its duties. It shall have access to the services of the Company Secretary including assisting in planning the committee's work, drawing up meeting agendas, maintenance of minutes, collection and distribution of information and provision of any necessary logistical support.
- (c) The meetings of the Committee shall be transparent, with all proceedings recorded and actions documented.

ACTIVITIES OF NRC

The NRC met three times during the financial year to deliberate on the following:

- (a) Reviewed the remuneration of Executive Directors and Key Senior Management;
- (b) Facilitated the appointment of Encik Mohd Ihwan bin Mohamed Yassin as Independent Non-Executive Director;
- (c) Reviewed the Directors' Fit and Proper Policy;
- (d) Reviewed the current Board structure, size and composition with an aim to achieving a balance of views on the Board;
- (e) Reviewed and assess the effectiveness of the Board as a whole, the various Board Committees as well as the contribution of each individual Director;
- (f) Reviewed the level of independence of Independent Directors; and
- (g) Discussed on the annual retirement by rotation and re-election of Directors at the forthcoming Annual General Meeting.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is cognisant of the fact that it is responsible for the adequacy and effectiveness of the Group's system of Risk Management and Internal Control. The Board recognises the importance of good corporate governance and is committed to maintaining a sound system of internal controls and risk management. The Board is pleased to provide the following statement, which outlines the nature and scope of risk management and internal controls of the Group during the financial year under review pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility to maintain a sound risk management and internal control system as well as reviewing its adequacy and effectiveness and to put in sufficient safeguards to manage the Group's risks in order to safeguard shareholders' investment and the Group's assets. However, due to the inherent limitations in any system of risk management and internal control, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. Thus, the system of internal control put in place can only provide reasonable but would not be an absolute assurance against material misstatements or loss. The significant areas covered by the Group's system of internal control are financial, organisational, operational, compliance and information technology controls.

The Board does not review risk management and internal control systems of its associates as the Board does not have direct control over their operations. Notwithstanding the above, the Group's interest is served through representation on the board of the associates and review of the management accounts and enquiries thereon.

RISK MANAGEMENT

The Board is assisted by Audit & Risk Management Committee ("ARMC") in the oversight of risk management and internal control system of the Group and supported by the Executive Directors and senior management personnel of the Group in implementation of the Board's policies and procedures on risk management and internal control.

The Group has established an enterprise-wide risk management framework based on the guidelines in ISO 31000 to manage risks affecting its business and operations. The Board, with its ARMC and recommendations from the outsourced consulting service provider, Sterling Business Alignment Consulting Sdn Bhd ("Outsourced IA"), have established processes for identifying, evaluating and managing the significant risks faced by the core business of the Group. These processes have been in place for the year under review and up to the date of approval of this statement for inclusion in the annual report.

The internal audit personnel assigned by Outsourced IA are free from any relationships or conflicts of interest, which could impair their objectivity and independence pursuant to the written declaration made by them.

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the Board has approved an Anti-Bribery and Anti-Corruption Policy. The policy sets out the Group's overall measures to prevent bribery and corruption practices in relation to its business activities.

INTERNAL CONTROL

The Group has an established internal control structure and is committed to maintaining the structure to ensure effective control over the Group's business operations and to safeguard the value and security of the Group's assets. Some of the key elements of the structure are:

- Organizational structure defining lines of responsibility, delegation of authority, segregation of duties and information flow. Besides ARMC and Nomination and Remuneration Committees, the Board is supported by Management Committee operationally. These committees convene periodically to meet its strategic business agenda thus ensuring that the Board, properly apprised, maintains effective supervision over the entire operations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (continued)

- Policies, procedures and standards have been established within the Group, periodically reviewed and updated by the management in accordance with changes in the operating environment. These standards and procedures include obtaining authority for major transactions and ensuring compliance with laws and regulations that have significant financial implications. Procedures are also in place to ensure that assets are subject to proper physical controls and comply with safety requirements.
- The annual budget is prepared for the Group. The Board of Directors review and approve the annual budget.
- Management Committee conduct regular management meetings with management teams and reviews financial and operational reports in order to monitor the performance and profitability as well as operational issues including internal control matters and risk management.
- Management accounts are prepared on a monthly basis and the actual performance compared with the budgets. Quarterly accounts are prepared and reported to the Board on a quarterly basis based on actual performance compared with last year same quarter and with explanation of any major variances.
- The ARMC, Nomination and Remuneration Committee have been established with defined terms of reference.
- ARMC reviews the quarterly financial results, audited financial statements, the Group's risk profile and internal control issues identified internally and by the Outsourced IA. The ARMC also monitors the implementation of the recommendations, if any, proposed by the Outsourced IA and External Auditors.

INTERNAL AUDIT

During the year under review, the Board has engaged an Outsourced IA to provide independent internal audit services to the core business of the Group. The Outsourced IA adopts a risk-based approach and prepares its audit strategy and plan based on the risk assessment of the Group. Scheduled internal audits are carried out based on the annual audit plan approved by the ARMC. The Outsourced IA presents to the ARMC's internal audit report which summarises audit findings and recommendations with respect to the system of internal control and control weaknesses; as well as the effectiveness of the implementation of these recommendations. In addition, the Outsourced IA has followed up on the implementation of recommendations from previous of internal audit reports and updated the ARMC.

The Outsourced IA had assisted the Board by independently evaluating and improving the effectiveness of the system of internal controls and performed internal audit on the Group's operations in respect on evaluating and improving the effectiveness of the systems of internal controls on the Anti-bribery Management System Gap Assessment and the Solar Farm Management of IL Solar Sdn Bhd during the financial year ended 31 December 2024.

CONCLUSION

The Board is of the view that there were no material losses that resulted from weaknesses in the system of risk management and internal control. Moreover, the Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. The Board is of the view that the risk management and internal control system, which is in place for the financial year under review and up to the date of this Statement, is adequate to achieve the Group's business objectives.

This statement is made in accordance with the resolution of the Board of Directors.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this statement pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and have reported that nothing has come to their attention that causes them to believe that the contents of this Statement intended to be included in the annual report are not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the Statement factually inaccurate.

Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement other than Audits or Reviews of Historical Financial Information & Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

STATEMENT OF DIRECTORS RESPONSIBILITIES

In Respect of the Audited Financial Statements for The Financial Year Ended 31 December 2024

The Directors are required by the Companies Act, 2016 (“the Act”) to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results and cash flow of the Group and of the Company for the financial year. As required by the Act and the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Act.

In preparing those financial statements, the Company’s Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable; and
- ensured applicable approved accounting standards have been followed.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 2016. The Directors are also responsible for the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FINANCIAL STATEMENTS

<hr/>		<hr/>	
DIRECTORS' REPORT	059	NOTES TO THE FINANCIAL STATEMENTS	076
STATEMENTS OF COMPREHENSIVE INCOME	064	STATEMENT BY DIRECTORS	127
STATEMENTS OF FINANCIAL POSITION	066	STATUTORY DECLARATION	127
STATEMENTS OF CHANGES IN EQUITY	068	INDEPENDENT AUDITORS' REPORT	128
STATEMENTS OF CASH FLOWS	072		
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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

CHANGE OF COMPANY NAME

The Company has changed its name from ILB Group Berhad to NuEnergy Holdings Berhad with effect from 30 September 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include operating solar power plant, procurement of solar photovoltaic ("PV") module, solar power generation and supply, engineering, procurement, construction and commissioning ("EPC") for solar energy, and any other works in such contracts, and investment holding.

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

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(8,838,248)	(2,963,117)
<hr/>		
Attributable to:		
Owners of the Company	(6,786,686)	(2,963,117)
Non-controlling interests	(2,051,562)	-
	<hr/>	<hr/>
	(8,838,248)	(2,963,117)
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DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2024.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was required.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company.



DIRECTORS' REPORT

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

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

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year are RM267,000 and RM202,000 respectively.

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

ISSUE OF SHARES OR DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

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

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

As at 31 December 2024, the Company held 6,125,175 treasury shares out of its 195,025,503 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM4,797,033.

DIRECTORS

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

Dato' Wan Hashim bin Wan Jusoh*	
Jamilah binti Kamal*	
Soh Eng Hooi	
Wan Azfar bin Dato' Wan Annuar*	
Mohd Ihwan Bin Mohamed Yassin	(Appointed on 1 November 2024)
Tang Ming Yng*	(Appointed on 5 February 2024)
Tang Weihann*	(Appointed on 1 April 2024)
Datuk Karownikaran @ Karunikaran Ramasamy	(Retired on 5 February 2024)
Makoto Takahashi*	(Retired on 31 March 2024)
Tee Tuan Sem*	(Retired on 18 October 2024)

* Directors of the Company and certain subsidiaries

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

Mong Tak Yeung, David	
Tang Kin Chung	
Tee Jia Jie	(Resigned on 30 June 2024)
Teoh Siew Tatt	(Resigned on 20 July 2024)

DIRECTORS' INTERESTS

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

	Number of ordinary shares			At 31.12.2024
	At 1.1.2024	Bought	Sold	
Interests in the Company				
Direct interests:				
Jamilah Binti Kamal	10,000	–	(10,000)	–

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



DIRECTORS' REPORT

DIRECTORS' BENEFITS

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

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

	2024	
	Group	Company
	RM	RM
Directors of the Company		
Executive directors:		
- Salaries and other emoluments	1,442,014	1,442,014
<hr/>		
Non-executive directors:		
- Fees	392,358	377,358
- Other emoluments	28,500	28,500
	420,858	405,858
	1,862,872	1,847,872
<hr/>		
Directors of the subsidiaries		
- Salaries and other emoluments	243,014	-
	2,105,886	1,847,872

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

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

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Effective equity interest	
			2024	2023
IL Energy Sdn. Bhd.	Malaysia	Investment holding and solar power generation and supply	100%	100%
ILB International (BVI) Limited	British Virgin Islands	Investment holding	100%	100%
Subsidiaries of IL Energy Sdn. Bhd.				
EVN Vision Sdn. Bhd.	Malaysia	Solar power plant	100%	100%
IL Solar Sdn. Bhd.	Malaysia	Solar power plant	100%	100%
IL Power Sdn. Bhd.	Malaysia	Procurement of solar PV module	100%	100%
Armani Sinar Sdn. Bhd.	Malaysia	Engineering, procurement, construction and commissioning for solar energy, and any other works in such contracts	100%	–
Subsidiary of ILB International (BVI) Limited				
Integrated Logistics (H.K.) Limited [@]	Hong Kong	Investment holding	70%	70%

[@] The subsidiary was consolidated using unaudited management financial statements as it had been placed under Member's Voluntary Winding-up.

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 17 July 2024, IL Energy Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement for the proposed acquisition of solar photovoltaic assets for a total cash consideration of RM68,000,000.

Partial acquisition of the solar photovoltaic assets amounting to RM13,522,008 has been complete and classified as property, plant and equipment of the Group while the remaining solar photovoltaic assets are expected to complete subsequent to the financial year end.

AUDITORS

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

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

TANG MING YNG
Director

TANG WEIHANN
Director

Date: 25 April 2025

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	5	12,221,537	46,180,835	–	–
Direct operating costs		(7,755,609)	(41,723,420)	–	–
Gross profit		4,465,928	4,457,415	–	–
Other income		3,116,865	6,241,504	2,412,036	2,427,873
Administrative expenses		(9,438,976)	(6,773,813)	(6,469,508)	(4,811,286)
(Impairment loss)/Reversal of impairment loss on investment in an associate		(6,632,609)	4,961,387	–	–
Other expenses		(299,166)	(1,553,972)	(95,084)	(961,646)
		(13,253,886)	2,875,106	(4,152,556)	(3,345,059)
Operating (loss)/profit		(8,787,958)	7,332,521	(4,152,556)	(3,345,059)
Finance income		1,395,081	2,922,948	1,284,537	2,753,748
Finance costs		(1,307,392)	(5,771,920)	(106,007)	(4,431,462)
Share of results of associates		51,123	(3,736,956)	–	–
(Loss)/Profit before tax	6	(8,649,146)	746,593	(2,974,026)	(5,022,773)
Income tax (expense)/credit	7	(189,102)	(225,191)	10,909	70,319
(Loss)/Profit for the financial year		(8,838,248)	521,402	(2,963,117)	(4,952,454)
Other comprehensive loss, net of tax					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Adjustments on revaluation reserve		(658,346)	–	(658,346)	–
Fair value loss of other investment at fair value through other comprehensive loss		–	(30,000)	–	(30,000)
		(658,346)	(30,000)	(658,346)	(30,000)
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		(3,100,139)	498,428	–	–
		(3,100,139)	498,428	–	–
Other comprehensive (loss)/income for the financial year		(3,758,485)	468,428	(658,346)	(30,000)
Total comprehensive (loss)/income for the financial year		(12,596,733)	989,830	(3,621,463)	(4,982,454)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit attributable to:					
Owners of the Company		(6,786,686)	197,733	(2,963,117)	(4,952,454)
Non-controlling interests		(2,051,562)	323,669	–	–
		(8,838,248)	521,402	(2,963,117)	(4,952,454)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(9,717,129)	725,771	(3,621,463)	(4,982,454)
Non-controlling interests		(2,879,604)	264,059	–	–
		(12,596,733)	989,830	(3,621,463)	(4,982,454)
(Loss)/Earnings per share attributable to owners of the Company					
Basic/Diluted (sen)	8	(3.59)	0.10		

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2024

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	149,761,791	142,295,610	2,642,956	7,726,724
Intangible assets	10	27,829,537	1,816,604	–	–
Investment in subsidiaries	11	–	–	152,891,771	119,471,771
Investment in associates	12	37,936,938	47,288,455	9,507,500	9,507,500
Other investments	13	2,273,000	270,000	2,273,000	270,000
Total non-current assets		217,801,266	191,670,669	167,315,227	136,975,995
Current assets					
Inventories	14	6,682,171	850,604	–	–
Tax assets		283,581	327,365	268,728	257,819
Receivables	15	6,239,994	9,216,828	24,242,409	13,641,545
Contract assets	17	3,752,954	632,920	–	–
Other investments	13	48,539	–	48,539	–
Deposits, cash and bank balances	18	36,305,485	60,305,347	4,042,102	52,834,613
		53,312,724	71,333,064	28,601,778	66,733,977
Non-current assets classified as held for sale	19	6,843,337	–	6,880,000	–
Total current assets		60,156,061	71,333,064	35,481,778	66,733,977
TOTAL ASSETS		277,957,327	263,003,733	202,797,005	203,709,972

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	20	225,670,706	225,670,706	225,670,706	225,670,706
Treasury shares	21	(4,797,033)	(4,797,033)	(4,797,033)	(4,797,033)
Reserves	22	(6,469,552)	3,247,577	(38,642,465)	(35,021,002)
		214,404,121	224,121,250	182,231,208	185,852,671
Non-controlling interests		7,098,930	9,497,066	–	–
TOTAL EQUITY		221,503,051	233,618,316	182,231,208	185,852,671
Non-current liabilities					
Loans and borrowings	23	40,209,487	18,502,389	2,365,409	487,949
Deferred tax liabilities	24	3,270,856	2,333,743	1,319	74,469
Total non-current liabilities		43,480,343	20,836,132	2,366,728	562,418
Current liabilities					
Loans and borrowings	23	2,951,140	4,837,443	231,718	613,443
Tax liabilities		983,713	142,860	–	–
Payables	25	8,702,769	3,252,369	17,967,351	16,681,440
Contract liabilities	17	336,311	316,613	–	–
Total current liabilities		12,973,933	8,549,285	18,199,069	17,294,883
TOTAL LIABILITIES		56,454,276	29,385,417	20,565,797	17,857,301
TOTAL EQUITY AND LIABILITIES		277,957,327	263,003,733	202,797,005	203,709,972

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024

Group	Equity attributable to owners of the Company		Share capital RM	Treasury shares RM	Total reserves RM	Accumulated losses RM	Foreign exchange translation reserve			Other reserve RM	Non-controlling interests RM
	Total equity RM	RM					RM	RM	RM		
At 1 January 2024	233,618,316	224,121,250	225,670,706	(4,797,033)	3,247,577	(20,126,844)	(1,991,025)	15,489,027	9,876,419	9,497,066	
Total comprehensive loss for the financial year Loss for the financial year	(8,838,248)	(6,786,686)	-	-	(6,786,686)	(6,786,686)	-	-	-	(2,051,562)	
Other comprehensive loss for the financial year Exchange differences on translation of foreign operations Adjustments on revaluation reserve	(3,100,139)	(2,272,097)	-	-	(2,272,097)	-	(2,272,097)	-	-	(828,042)	
Total other comprehensive loss	(3,758,485)	(2,930,443)	-	-	(2,930,443)	-	(2,272,097)	(658,346)	-	(828,042)	
Total comprehensive loss for the financial year	(12,596,733)	(9,717,129)	-	-	(9,717,129)	(6,786,686)	(2,272,097)	(658,346)	-	(2,879,604)	
Transaction with owners Changes in non-controlling interests from additional contribution	481,468	-	-	-	-	-	-	-	-	481,468	
At 31 December 2024	221,508,051	214,404,121	225,670,706	(4,797,033)	(6,469,552)	(26,913,530)	(4,263,122)	14,830,681	9,876,419	7,098,930	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Equity attributable to owners of the Company		Foreign exchange translation reserve					Non-controlling interests			
	Total equity RM	RM	Share capital RM	Treasury shares RM	Total reserves RM	Accumulated losses RM	Fair value reserve RM		Revaluation reserve RM	Other reserve RM	
Restated balance as at 1 January 2023	232,628,486	223,395,479	225,670,706	(4,797,033)	2,521,806	(20,324,577)	30,000	(2,549,063)	15,489,027	9,876,419	9,233,007
Total comprehensive income for the financial year	521,402	197,733	-	-	197,733	197,733	-	-	-	-	323,669
Other comprehensive income/(loss) for the financial year	498,428	558,038	-	-	558,038	-	-	558,038	-	-	(59,610)
Exchange differences on translation of foreign operations											
Fair value loss of other investment at fair value through other comprehensive income/(loss)	(30,000)	(30,000)	-	-	(30,000)	-	(30,000)	-	-	-	-
Total other comprehensive income/(loss)	468,428	528,038	-	-	528,038	-	(30,000)	558,038	-	-	(59,610)
Total comprehensive income/(loss) for the financial year	989,830	725,771	-	-	725,771	197,733	(30,000)	558,038	-	-	264,059
At 31 December 2023	233,618,316	224,121,250	225,670,706	(4,797,033)	3,247,577	(20,126,844)	-	(1,991,025)	15,489,027	9,876,419	9,497,066

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Total equity RM	Share capital RM	Treasury shares RM	Total reserves RM	Accumulated losses RM	Fair value reserve RM	Revaluation reserve RM
Company							
At 1 January 2024	185,852,671	225,670,706	(4,797,033)	(35,021,002)	(35,691,222)	-	670,220
Total comprehensive loss for the financial year	(2,963,117)	-	-	(2,963,117)	(2,963,117)	-	-
Loss for the financial year							
Other comprehensive loss for the financial year	(658,346)	-	-	(658,346)	-	-	(658,346)
Adjustments on revaluation reserve, representing total other comprehensive loss							
Total comprehensive loss for the financial year	(3,621,463)	-	-	(3,621,463)	(2,963,117)	-	(658,346)
At 31 December 2024	182,231,208	225,670,706	(4,797,033)	(38,642,465)	(38,654,339)	-	11,874

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Total equity RM	Share capital RM	Treasury shares RM	Total reserves RM	Accumulated losses RM	Fair value reserve RM	Revaluation reserve RM
Company							
At 1 January 2023	190,835,125	225,670,706	(4,797,033)	(30,038,548)	(30,738,768)	30,000	670,220
Total comprehensive loss for the financial year	(4,952,454)	-	-	(4,952,454)	(4,952,454)	-	-
Other comprehensive loss for the financial year	(30,000)	-	-	(30,000)	-	(30,000)	-
Fair value loss of other investment at fair value through other comprehensive loss, representing total other comprehensive loss							
Total comprehensive loss for the financial year	(4,982,454)	-	-	(4,982,454)	(4,952,454)	(30,000)	-
At 31 December 2023	185,852,671	225,670,706	(4,797,033)	(35,021,002)	(35,691,222)	-	670,220

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

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
(Loss)/Profit before tax:		(8,649,146)	746,593	(2,974,026)	(5,022,773)
Adjustments for:					
Amortisation of intangible assets		129,757	129,757	–	–
Depreciation of property, plant and equipment		4,606,084	4,165,807	232,736	187,150
Fair value gain on other investments		(444,568)	–	(444,568)	–
Loss/(Gain) on disposal of property, plant and equipment		965	(78,299)	–	–
(Reversal of impairment loss)/Impairment loss on property, plant and equipment		(589,826)	589,826	–	–
Income distribution from other investments		(179,372)	–	(179,372)	–
Interest expense		1,307,392	5,771,920	106,007	4,431,462
Interest income		(1,395,081)	(2,922,948)	(1,284,537)	(2,753,748)
Property, plant and equipment written off		196,614	3	4	3
Impairment loss/(Reversal of impairment loss) on interest in an associate		6,632,609	(4,961,387)	–	–
Share of results of associates		(51,123)	3,736,956	–	–
Waiver of amount owing to a corporate shareholder		–	(3,397,512)	–	–
Unrealised loss/(gain) on foreign exchange		95,424	(685,395)	95,439	(685,395)
Operating profit/(loss) before working capital changes		1,659,729	3,095,321	(4,448,317)	(3,843,301)
Changes in working capital:					
Contract assets		(63,803)	(600)	–	–
Contract liabilities		19,698	314,816	–	–
Inventories		755,622	(26,700)	–	–
Receivables		6,026,012	(4,689,294)	(142,037)	791,238
Payables		(1,253,097)	(9,530,442)	616,482	47,552
Net cash generated from/(used in) operations		7,144,161	(10,836,899)	(3,973,872)	(3,004,511)
Interest paid		(1,179,943)	(5,771,920)	(32,878)	(4,431,462)
Tax paid		(121,005)	(418,531)	–	(246,500)
Net cash from/(used in) operating activities		5,843,213	(17,027,350)	(4,006,750)	(7,682,473)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from investing activities					
Purchase of property, plant and equipment	(a)	(15,843,260)	(4,005,732)	(71,270)	(119,421)
Changed in pledged deposits, cash and bank account		(15,433,206)	48	–	–
Withdrawal of deposits with licensed banks		22,085,863	25,143,223	22,085,863	23,246,745
Cash received from third party receivables		–	8,155,433	–	6,955,058
Placement of other investments		(1,606,971)	–	(1,606,971)	–
Proceeds from winding-up of subsidiaries		–	–	–	3
Proceeds from disposal of property, plant and equipment		7,929	78,300	1	–
Acquisition of a subsidiary, net of cash acquired	11(a)	(29,964,628)	–	–	–
Advances to subsidiaries		–	–	(43,878,827)	(7,697,972)
Interest received		1,574,453	2,922,948	1,463,909	2,753,748
Net cash (used in)/from investing activities		(39,179,820)	32,294,220	(22,007,295)	25,138,161
Cash flows from financing activities					
Drawdown of term loans	(b)	39,901,741	–	–	–
Repayments of term loans	(b)	(23,339,832)	(24,505,841)	(1,101,392)	(20,292,341)
Advances from/(Repayments to) associates	(b)	54,687	(54,687)	54,687	(54,687)
Advances from a subsidiary	(b)	–	–	890,265	16,780,400
Repayments to hire purchase payables		(11,997)	–	–	–
Repayments of lease liabilities	(b)	(179,301)	–	(165,201)	–
Net cash from/(used in) financing activities		16,425,298	(24,560,528)	(321,641)	(3,566,628)
Net (decrease)/increase in cash and cash equivalents		(16,911,309)	(9,293,658)	(26,335,686)	13,889,060
Cash and cash equivalents at the beginning of the financial year		33,791,617	42,122,460	30,748,750	16,501,895
Effects of exchange rates changes on cash and cash equivalents		(435,896)	962,815	(370,962)	357,795
Cash and cash equivalents at the end of the financial year	18	16,444,412	33,791,617	4,042,102	30,748,750

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(a) Purchase of property, plant and equipment

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash payments	15,843,260	4,005,732	71,270	119,421
Finance by way of:				
- hire purchase	450,000	–	–	–
- lease liabilities	2,689,199	–	2,689,199	–
- other payables	–	1,631,688	–	–
	18,982,459	5,637,420	2,760,469	119,421

(b) Reconciliation of liabilities arising from financing activities:

	Note	1.1.2023 RM	Cash flows RM	Non-cash Others RM	31.12.2023 RM
Group					
Amount owing to an associate	26	109,374	(54,687)	–	54,687
Term loans	23	47,856,173	(24,505,841)	(10,500)	23,339,832
		47,965,547	(24,560,528)	(10,500)	23,394,519
Company					
Amount owing to a subsidiary	26	–	16,780,400	(327,600)	16,452,800
Amount owing to an associate	26	109,374	(54,687)	–	54,687
Term loans	23	21,393,733	(20,292,341)	–	1,101,392
		21,503,107	(3,566,628)	(327,600)	17,608,879

	Note	1.1.2024 RM	Cash flows RM	← Non-cash Acquisition RM	Others RM	31.12.2024 RM
Group						
Amount owing to an associate	26	54,687	54,687	–	–	109,374
Term loans	23	23,339,832	16,561,909	–	52,471	39,954,212
Lease liabilities	23	–	(179,301)	2,689,199	220,399	2,730,297
Hire purchase payables	23	–	(11,997)	450,000	38,115	476,118
		23,394,519	16,425,298	3,139,199	310,985	43,270,001
Company						
Amount owing to a subsidiary	26	16,452,800	890,265	–	(275,523)	17,067,542
Amount owing to an associate	26	54,687	54,687	–	–	109,374
Term loans	23	1,101,392	(1,101,392)	–	–	–
Lease liabilities	23	–	(165,201)	2,689,199	73,129	2,597,127
		17,608,879	(321,641)	2,689,199	(202,394)	19,774,043

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(c) Total cash outflows for leases

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Included in net cash from operating activities:					
Payments relating to short-term leases	6	748,344	777,365	656,242	656,242
Payments relating to lease of low value assets	6	14,753	13,824	14,753	13,824
Included in net cash from financing activities:					
Payment of lease liabilities		179,301	–	165,201	–
		942,398	791,189	836,196	670,066

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

NuEnergy Holdings Berhad (formerly known as ILB Group Berhad) (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and the principal place of business of the Company is located at M-1F-1, M-1F-2 & M-1F-3, Block M, Pusat Perdagangan Kota Damansara, No. 12 Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include operating solar power plant, procurement of solar photovoltaic (“PV”) module, solar power generation and supply, engineering, procurement, construction and commissioning (“EPCC”) for solar energy, and any other works in such contracts, and investment holding. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 April 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of new amendments to MFRSs

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

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and the Company and did not result in significant changes to the Group’ and the Company’s existing accounting policies.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective (continued)

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

MFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Basis of consolidation

(a) Subsidiaries and business combination

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

(b) Non-controlling interests

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Basis of consolidation (continued)

(c) Associates

Investment in associates are accounted for in the consolidated financial statements of the Group using the equity method.

3.2 Separate financial statements

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

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

3.3 Foreign currency operations

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

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

3.4 Revenue and other income

(a) Sales of electricity

Revenue from sale of electricity is recognised over time as the customers simultaneously received and consumed the benefits provided by the Group's performance.

A receivable is recognised when the Group has a right to invoice as the consideration is unconditional other than the passage of time before the payment is due.

(b) Sales of solar photovoltaic ("PV") module

Revenue from sale of solar PV module is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

(c) Construction contracts

The Group designs, supplies, installs and commissions a solar PV module system under contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Revenue and other income (continued)

(c) Construction contracts (continued)

Billings are made with a credit term of 5 to 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers based on achieving a series of performance-related milestones.

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

(d) Operation and maintenance (“O&M”) of solar energy system

Within their activities of design, supply, install and commission a solar PV module system, the Group provides maintenance services of 1 to 2 years to customers for workmanship defects, performance monitoring and on-site support and repair services to ensure optimal operation of solar energy system installation.

The O&M is a distinct service to the customer in addition to the assurance that the product complies with agreed-upon specifications. The revenue is recognised over the period the maintenance services are provided.

(e) Rental income

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

(f) Interest income

Interest income is recognised using the effective interest method.

3.5 Deferred tax

When the non-depreciable asset (freehold land) is measured using the revaluation model in MFRS 116, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date regardless of the basis of measuring the carrying amount of that asset.

Accordingly, if the tax law specifies a tax rate applicable to the taxable amount derived from the sale of an asset that differs from the tax rate applicable to the taxable amount derived from using an asset, the former rate is applied in measuring the deferred tax liability or asset related to a non-depreciable asset.

3.6 Financial instruments

Financial assets – subsequent measurement and gains and losses

Debt instruments at amortised cost

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

Financial assets at fair value through other comprehensive income

The Group and the Company subsequently measure these assets at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 Financial instruments (continued)

Financial assets – subsequent measurement and gains and losses (continued)

Financial assets at fair value through profit or loss

The Group subsequently measures these assets at fair value. Net gains and losses, including income are recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.7 Property, plant and equipment

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

Freehold land is measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on office building and any accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold land and office building does not differ materially from the carrying amount.

Freehold land have an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Office building	50
Office renovation	5
Equipment, furniture and fittings	3 – 5
Motor vehicles	5
Solar photovoltaic	10 – 21

3.8 Non-current assets held for sale

The Group and the Company measured the non-current assets held for sale at the lower of carrying amount and fair value less costs to sell.

An impairment loss on a revalued non-current assets held for sale shall be recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the same asset. Any remaining impairment loss shall be recognised in profit or loss.

Assets classified as held for sale are presented separately as current items in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.9 Leases

Lessee accounting

The Group and the Company present right-of-use as property, plant and equipment in Note 9 and lease liabilities as loans and borrowings in Note 23.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated.

When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flows projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 10.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(b) Business combination

During the financial year, the Group acquired Armani Sinar Sdn. Bhd. through a transaction with a third party.

In accounting for the Armani Sinar Sdn. Bhd. under MFRS 3, the fair values of the identifiable assets and liabilities acquired, including intangible assets, are recognised. The determination of the fair values of acquired assets and liabilities assumed is based on purchase price allocation performed by an external independent professional valuer. Any changes in these assumptions will have an impact on the carrying amounts of the acquired assets and liabilities assumed.

The fair values of the acquired assets and liabilities assumed are disclosed in Note 11.

(c) Construction contract revenue

The Group recognised construction contract revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to the proportion of construction costs incurred for work performed to date bear to the estimated total costs for each project (input method).

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events. In making the judgement, the Group evaluates by relying on the work of specialists.

The amount of construction contract revenue recognised during the financial year is disclosed in Note 5.

5. REVENUE

	2024 RM	Group 2023 RM
Revenue from contract customers:		
Over time:		
Construction contracts	2,887,169	6,769,973
Operation and maintenance ("O&M")	36,332	8,755
Sales of electricity	9,269,189	8,500,880
	12,192,690	15,279,608
At a point in time:		
Sales of goods	28,847	30,901,227
	12,221,537	46,180,835

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. (LOSS)/PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at (loss)/profit before tax:

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Amortisation of intangible assets	10	129,757	129,757	–	–
Auditors' remuneration					
- statutory audit:					
- Baker Tilly Monteiro Heng PLT		185,000	151,000	120,000	118,000
- Member firms of Baker Tilly International		–	101,253	–	–
- non statutory audit:					
- Baker Tilly Monteiro Heng PLT		82,000	19,000	82,000	19,000
- Member firms of Baker Tilly International		–	1,500	–	1,500
Depreciation of property, plant and equipment	9	4,606,084	4,165,807	232,736	187,150
Directors' remuneration	6(a)	2,105,886	2,061,510	1,847,872	1,557,486
Expenses relating to short-term lease		748,344	777,365	656,242	656,242
Expenses relating to low value assets		14,753	13,824	14,753	13,824
Fair value gain on other investments		(444,568)	–	(444,568)	–
Loss/(Gain) on disposal of property, plant and equipment		965	(78,299)	–	–
Impairment loss/(Reversal of impairment loss) on interest in an associate	12	6,632,609	(4,961,387)	–	–
Income distribution from other investment		(179,372)	–	(179,372)	–
Interest expense on:					
- hire purchase		4,070	–	–	–
- lease liabilities		74,978	–	73,129	–
- term loans		1,228,344	5,771,920	32,878	4,431,462
Interest income on:					
- deposits, cash and bank balances		(1,395,081)	(2,292,480)	(1,284,537)	(2,123,280)
- accretion of interest on financial asset measured at amortised cost		–	(630,468)	–	(630,468)
(Gain)/Loss on foreign exchange:					
- realised		(14,617)	753,325	(359)	957,758
- unrealised		95,424	(685,395)	95,439	(685,395)
Property, plant and equipment written off		196,614	3	4	3
Rental income on:					
- warehouse		(1,687,478)	(1,687,478)	(1,687,478)	(1,687,478)
- office building		–	–	(99,121)	–
(Reversal of impairment loss)/ Impairment loss on property, plant and equipment		(589,826)	589,826	–	–
Waiver of amount owing to a corporate shareholder		–	(3,397,512)	–	–
Staff costs:					
- salaries and others		2,374,999	1,457,741	1,317,472	725,071
- contribution to defined contribution plans		257,398	158,624	150,803	76,293

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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

(a) The remuneration of the directors are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company				
Executive directors:				
- salaries and other emoluments	1,442,014	1,153,486	1,442,014	1,153,486
Non-executive directors:				
- fees	392,358	408,000	377,358	378,000
- other emoluments	28,500	27,500	28,500	26,000
	420,858	435,500	405,858	404,000
	1,862,872	1,588,986	1,847,872	1,557,486
Directors of the subsidiaries				
- salaries and other emoluments	243,014	472,524	–	–
Total directors remuneration	2,105,886	2,061,510	1,847,872	1,557,486

In the previous financial year, the monetary value of benefits-in-kind (which were not included in the above directors' remuneration) of the Group and of the Company received by certain directors of the Company amounted RM151,025 and RM151,025 respectively.

7. INCOME TAX EXPENSE/(CREDIT)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Statements of comprehensive income				
Current income tax:				
Taxation in Malaysia:				
- Current income tax charge	43,787	385,955	–	165,000
- Adjustment in respect of prior years	(38,771)	(281,789)	(10,909)	(235,319)
	5,016	104,166	(10,909)	(70,319)
Deferred tax (Note 24):				
- Origination of temporary differences	110,046	121,025	–	–
- Adjustment in respect of prior years	74,040	–	–	–
	184,086	121,025	–	–
Income tax expense/(credit) recognised in profit or loss	189,102	225,191	(10,909)	(70,319)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

7. INCOME TAX EXPENSE/(CREDIT) (continued)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable (loss)/profit for the financial year.

Tax expense for other jurisdiction is calculated at the rate prevailing in the jurisdiction.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's income tax expense/(credit) are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before tax	(8,649,146)	746,593	(2,974,026)	(5,022,773)
Tax at the Malaysian statutory income tax rate of 24%	(2,075,795)	179,182	(713,766)	(1,205,466)
Different tax rate in other country	501,036	(885,415)	–	–
Tax effects arising from:				
- non-taxable income	(356,183)	(1,312,195)	(149,746)	(315,807)
- non-deductible expenses	2,390,802	2,086,050	863,512	1,686,273
Share of results of associates	(6,420)	615,892	–	–
Utilisation of deferred tax assets not recognised in prior financial years	(360,570)	(233,313)	–	–
Deferred tax assets not recognised during the financial year	60,963	56,779	–	–
Adjustment in respect of prior years:				
- current tax	(38,771)	(281,789)	(10,909)	(235,319)
- deferred tax	74,040	–	–	–
Income tax expense/(credit)	189,102	225,191	(10,909)	(70,319)

8. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per ordinary share

Basic (loss)/earnings per share is based on the (loss)/profit for the financial year attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2024 RM	2023 RM
(Loss)/Profit attributable to owners of the Company:	(6,786,686)	197,733
Weighted average number of ordinary shares for basic earnings per share (unit)	188,900,328	188,900,328
Basic (loss)/earnings per share attributable to owners of the Company (sen)	(3.59)	0.10

Diluted (loss)/earnings per share

The diluted (loss)/earnings per share of the Group for the financial years ended 31 December 2024 and 31 December 2023 are same as the basic earnings per share of the Group as the Company has no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. PROPERTY, PLANT AND EQUIPMENT

Group 2024	Note	Freehold land RM	Office building RM	Office renovation RM	Equipment, furniture and fittings RM	Motor vehicles RM	Solar photovoltaic RM	Right- of-use assets RM	Capital work-in- progress RM	Total RM
Cost/Valuation										
At 1 January 2024		77,035,927	2,677,561	1,974,381	1,407,681	896,448	82,191,898	-	4,796,604	170,980,500
Acquisition of a subsidiary	11(a)	-	-	-	98,569	41,900	-	153,498	-	293,967
Additions		-	-	-	225,587	538,700	14,900,815	2,689,199	628,158	18,982,459
Disposals		-	-	-	(18,169)	(492,985)	-	-	-	(511,154)
Written off		-	-	-	(164,427)	-	-	-	(196,609)	(361,036)
Adjustments on revaluation		(731,496)	-	-	-	-	-	-	-	(731,496)
Transfer to non-current assets classified as held for sale	19	(4,868,504)	(2,677,561)	(1,974,381)	(562,690)	-	(66,461)	-	-	(10,149,597)
Reclassification		-	-	-	-	-	4,599,995	-	(4,599,995)	-
At 31 December 2024		71,435,927	-	-	986,551	984,063	101,626,247	2,842,697	628,158	178,503,643
Accumulated depreciation										
At 1 January 2024		-	351,200	1,945,708	1,244,789	771,610	23,376,000	-	-	27,689,307
Acquisition of a subsidiary	11(a)	-	-	-	3,919	698	-	9,029	-	13,646
Depreciation charge for the financial year		-	45,368	7,320	90,951	56,771	4,267,630	138,044	-	4,606,084
Disposals		-	-	-	(9,276)	(492,984)	-	-	-	(502,260)
Written off		-	-	-	(164,422)	-	-	-	-	(164,422)
Transfer to non-current assets classified as held for sale	19	-	(396,568)	(1,953,028)	(540,384)	-	(10,523)	-	-	(2,900,503)
At 31 December 2024		-	-	-	625,577	336,095	27,633,107	147,073	-	28,741,852

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2024	Note	Freehold land RM	Office building RM	Office renovation RM	Equipment, furniture and fittings RM	Motor vehicles RM	Solar photovoltaic RM	Right- of-use assets RM	Capital work-in- progress RM	Total RM
Impairment loss										
At 1 January 2024		-	405,757	-	-	-	-	-	589,826	995,583
Reversal of impairment loss		-	-	-	-	-	-	-	(589,826)	(589,826)
Transfer to non-current assets classified as held for sale	19	-	(405,757)	-	-	-	-	-	-	(405,757)
At 31 December 2024		-	-	-	-	-	-	-	-	-
Carrying amount										
At cost		-	-	-	360,974	647,968	73,993,140	2,695,624	628,158	78,325,864
At valuation		71,435,927	-	-	-	-	-	-	-	71,435,927
At 31 December 2024		71,435,927	-	-	360,974	647,968	73,993,140	2,695,624	628,158	149,761,791

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2023	Freehold land RM	Office building RM	Office renovation RM	Equipment, furniture and fittings RM	Motor vehicles RM	Solar photovoltaic RM	Capital work-in- progress RM	Total RM
Cost/Valuation								
At 1 January 2023	77,035,927	2,677,561	1,974,381	1,366,909	868,529	80,176,157	1,360,500	165,459,964
Additions	-	-	-	46,869	138,706	655,241	4,796,604	5,637,420
Disposals	-	-	-	-	(110,787)	-	-	(110,787)
Written off	-	-	-	(6,097)	-	-	-	(6,097)
Reclassification	-	-	-	-	-	1,360,500	(1,360,500)	-
At 31 December 2023	77,035,927	2,677,561	1,974,381	1,407,681	896,448	82,191,898	4,796,604	170,980,500
Accumulated depreciation								
At 1 January 2023	-	305,831	1,871,670	1,154,504	868,526	19,439,849	-	23,640,380
Depreciation charge for the financial year	-	45,369	74,038	96,379	13,870	3,936,151	-	4,165,807
Disposals	-	-	-	-	(110,786)	-	-	(110,786)
Written off	-	-	-	(6,094)	-	-	-	(6,094)
At 31 December 2023	-	351,200	1,945,708	1,244,789	771,610	23,376,000	-	27,689,307
Impairment loss								
At 1 January 2023	-	405,757	-	-	-	-	-	405,757
Impairment loss	-	-	-	-	-	-	589,826	589,826
At 31 December 2023	-	405,757	-	-	-	-	589,826	995,583
Carrying amount								
At cost	-	-	28,673	162,892	124,838	58,815,898	4,206,778	63,339,079
At valuation	77,035,927	1,920,604	-	-	-	-	-	78,956,531
At 31 December 2023	77,035,927	1,920,604	28,673	162,892	124,838	58,815,898	4,206,778	142,295,610

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024	Note	Freehold land RM	Office building RM	Office renovation RM	Equipment, furniture and fittings RM	Motor vehicles RM	Solar photovoltaic RM	Right- of-use assets RM	Total RM
Cost/Valuation									
At 1 January 2024		5,600,000	2,677,561	1,974,381	1,191,175	757,743	110,021	–	12,310,881
Additions		–	–	–	71,270	–	–	2,689,199	2,760,469
Written off		–	–	–	(163,752)	–	–	–	(163,752)
Disposals		–	–	–	–	(492,985)	–	–	(492,985)
Adjustments on revaluation		(731,496)	–	–	–	–	–	–	(731,496)
Transfer to non-current assets classified as held for sale	19	(4,868,504)	(2,677,561)	(1,974,381)	(562,690)	–	(110,021)	–	(10,193,157)
At 31 December 2024		–	–	–	536,003	264,758	–	2,689,199	3,489,960
Accumulated depreciation									
At 1 January 2024		–	351,200	1,945,708	1,117,333	757,741	6,418	–	4,178,400
Depreciation charge for the financial year		–	45,368	7,320	44,546	–	11,002	124,500	232,736
Written off		–	–	–	(163,748)	–	–	–	(163,748)
Disposals		–	–	–	–	(492,984)	–	–	(492,984)
Transfer to non-current assets classified as held for sale	19	–	(396,568)	(1,953,028)	(540,384)	–	(17,420)	–	(2,907,400)
At 31 December 2024		–	–	–	457,747	264,757	–	124,500	847,004

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024	Note	Freehold land RM	Office building RM	Office renovation RM	Equipment, furniture and fittings RM	Motor vehicles RM	Solar photovoltaic RM	Right- of-use assets RM	Total RM
Impairment loss									
At 1 January 2024		-	405,757	-	-	-	-	-	405,757
Transfer to non-current assets classified as held for sale	19	-	(405,757)	-	-	-	-	-	(405,757)
At 31 December 2024		-	-	-	-	-	-	-	-
Carrying amount									
At cost		-	-	-	78,256	1	-	2,564,699	2,642,956
At valuation		-	-	-	-	-	-	-	-
At 31 December 2024		-	-	-	78,256	1	-	2,564,699	2,642,956

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2023	Freehold land RM	Office building RM	Office renovation RM	Equipment, furniture and fittings RM	Motor vehicles RM	Solar photovoltaic RM	Total RM
Cost/Valuation							
At 1 January 2023	5,600,000	2,677,561	1,974,381	1,187,872	757,743	-	12,197,557
Additions	-	-	-	9,400	-	110,021	119,421
Written off	-	-	-	(6,097)	-	-	(6,097)
At 31 December 2023	5,600,000	2,677,561	1,974,381	1,191,175	757,743	110,021	12,310,881
Accumulated depreciation							
At 1 January 2023	-	305,831	1,871,670	1,062,102	757,741	-	3,997,344
Depreciation charge for the financial year	-	45,369	74,038	61,325	-	6,418	187,150
Written off	-	-	-	(6,094)	-	-	(6,094)
At 31 December 2023	-	351,200	1,945,708	1,117,333	757,741	6,418	4,178,400
Impairment loss							
At 1 January 2023/ 31 December 2023	-	405,757	-	-	-	-	405,757
Carrying amount							
At cost	-	-	28,673	73,842	2	103,603	206,120
At valuation	5,600,000	1,920,604	-	-	-	-	7,520,604
At 31 December 2023	5,600,000	1,920,604	28,673	73,842	2	103,603	7,726,724

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Assets held for sale

The Group and the Company's property, plant and equipment transferred to non-current assets classified as held for sale amounting to RM6,843,337 and RM6,880,000. Further details on the non-current assets classified as held for sale are disclosed in Note 19.

(b) Assets pledged as security

The carrying amount of property, plant and equipment pledged to the financial institutions as securities for term loans facilities (Note 23(a)) and hire purchase arrangement (Note 23(c)) are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Freehold land	43,535,927	49,135,927	–	5,600,000
Office building	–	1,920,604	–	1,920,604
Solar photovoltaic	49,209,206	51,599,537	–	–
Motor vehicles	550,872	–	–	–
	93,296,005	102,656,068	–	7,520,604

(c) The net carrying amount of these property, plant and equipment had no revaluation been made are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Freehold land	60,702,988	65,558,299	–	4,855,311
Office building	–	2,303,514	–	2,303,514

(d) Fair value information

The freehold land and office building of the Group and the Company were revalued by external independent valuers, having appropriate recognised professional qualification. The valuations are based on sales comparison method.

The fair value of freehold land and office building of the Group and of the Company are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
31 December 2024				
Freehold land	–	–	71,435,927	71,435,927
31 December 2023				
Freehold land	–	–	77,035,927	77,035,927
Office building	–	–	1,920,604	1,920,604
	–	–	78,956,531	78,956,531

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. PROPERTY, PLANT AND EQUIPMENT (continued)

(d) Fair value information (continued)

The fair value of freehold land and office building of the Group and of the Company are categorised as follows:
(continued)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Company				
31 December 2023				
Freehold land	–	–	5,600,000	5,600,000
Office building	–	–	1,920,604	1,920,604
	–	–	7,520,604	7,520,604

Level 3 fair value

The valuation techniques used in the determination of fair values within Level 3 was based on sales comparison approach. The value of the property, plant and equipment was determined by comparing current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for accessibility, amenities, time element, size, shape, improvements, and other differences.

Valuation processes applied by the Group

The fair value of property, plant and equipment is determined by external independent valuers, Rahim & Co International Sdn. Bhd. and Henry Butcher Malaysia (Kedah) Sdn. Bhd., in which both are the members of the Board of Valuers, Appraisers and Estate Agents Malaysia with appropriate recognised professional qualifications.

Highest and best use

In estimating the fair value of the property, plant and equipment, the highest and best use of the property, plant and equipment is their current use.

- (e) During the financial year, there was an reversal of impairment loss of RM589,826 arising from the settlement agreement entered with the vendor upon completion of the construction of solar photovoltaic.

(f) Right-of-use assets

The Group and the Company lease several assets including warehouse and office building.

Information about leases for which the Group and the Company are lessees is presented below:

	Warehouse RM	Office building RM	Total RM
Group			
Carrying amount			
At 1 January 2024	–	–	–
Acquisition of a subsidiary	144,469	–	144,469
Additions	–	2,689,199	2,689,199
Depreciation	(13,544)	(124,500)	(138,044)
At 31 December 2024	130,925	2,564,699	2,695,624

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. PROPERTY, PLANT AND EQUIPMENT (continued)

(f) Right-of-use assets (continued)

Information about leases for which the Group and the Company are lessees is presented below: (continued)

	Office building RM	Total RM
Company		
Carrying amount		
At 1 January 2024	–	–
Additions	2,689,199	2,689,199
Depreciation	(124,500)	(124,500)
At 31 December 2024	2,564,699	2,564,699

The leases for warehouse and office building generally have lease terms between 2 to 9 years.

10. INTANGIBLE ASSETS

	Goodwill RM	Customer contracts RM	Total RM
Group			
Cost			
At 1 January/31 December 2023	–	2,724,904	2,724,904
Acquisition of a subsidiary (Note 11(a))	22,749,599	3,393,091	26,142,690
At 31 December 2024	22,749,599	6,117,995	28,867,594
Accumulated amortisation			
At 1 January 2023	–	778,543	778,543
Amortisation charge for the financial year	–	129,757	129,757
At 31 December 2023	–	908,300	908,300
Amortisation charge for the financial year	–	129,757	129,757
At 31 December 2024	–	1,038,057	1,038,057
Carrying amount			
At 31 December 2023	–	1,816,604	1,816,604
At 31 December 2024	22,749,599	5,079,938	27,829,537

On 27 September 2024, IL Energy Sdn. Bhd. a wholly-owned subsidiary of the Company completed the acquisition of entire equity interest in Armani Sinar Sdn. Bhd. for a total cash consideration of RM30,000,000. The Group has engaged an independent valuation firm to assist in the purchase price allocation (“PPA”) exercise. Further details are disclosed in Note 11(a).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

10. INTANGIBLE ASSETS (continued)

(a) Goodwill on consolidation

Management reviews the business performance based on the type of services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the Group's cash generating units ("CGUs") which are also reportable operating segments, which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to the CGU are as follows:

	Group 2024 RM
Solar energy related business	22,749,599

Goodwill is assessed for impairment at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each CGU.

The recoverable amount of the CGU was determined based on value-in-use ("VIU") calculations using cash flows projections from financial budgets and forecasts approved by management covering a three-year period.

The pre-tax discount rate applied to the cash flows projection is 16.03%.

Key assumptions used in the VIU calculations for goodwill are as follows:

- (i) the basis used to determine the future potential earnings are remaining book orders and possible future developments;
- (ii) gross margin is the forecasted margin as a percentage of revenue over the three-year projection period. These are based on the average gross margins of the existing projects; and
- (iii) discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGUs at the date of assessment.

Based on the sensitivity analysis performed, the Group is of the opinion that there are no reasonable possible changes in key assumptions which would cause the carrying values of the CGU to exceed its recoverable amount.

(b) Customer contracts

- (i) The fair value of intangible assets is attributable to customer contract arising from the acquisition of a subsidiary in the previous financial years. The acquired subsidiary was granted a feed-in approval by Sustainable Energy Development Authority Malaysia pursuant to the Renewable Energy Act 2011.

A Renewable Energy Power Purchase Agreement was entered into with Tenaga Nasional Berhad with effective period of 21 years commencing from the Feed-in Tariff ("FiT") commencement.

- (ii) During the financial year, the customer contracts on the construction of solar photovoltaic assets arising from the acquisition of a subsidiary are based on purchase price allocation performed by an external independent professional valuer.

The amortisation of intangible assets of the Group amounting to RM129,757 (2023: RM129,757) are included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost		
At beginning of the financial year	22,816,195	22,816,198
Less: Voluntary winding-up	–	(3)
At end of the financial year	22,816,195	22,816,195
Loans that are part of net investments	130,075,576	96,655,576
	152,891,771	119,471,771

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

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Effective equity interest	
			2024	2023
IL Energy Sdn. Bhd.	Malaysia	Investment holding and solar power generation and supply	100%	100%
ILB International (BVI) Limited	British Virgin Islands	Investment holding	100%	100%
Subsidiaries of IL Energy Sdn. Bhd.				
EVN Vision Sdn. Bhd.	Malaysia	Solar power plant	100%	100%
IL Solar Sdn. Bhd.	Malaysia	Solar power plant	100%	100%
IL Power Sdn. Bhd.	Malaysia	Procurement of solar PV module	100%	100%
Armani Sinar Sdn. Bhd.	Malaysia	Engineering, procurement, construction and commissioning for solar energy, and any other works in such contracts	100%	–
Subsidiary of ILB International (BVI) Limited				
Integrated Logistics (H.K.) Limited [®]	Hong Kong	Investment holding	70%	70%

[®] The subsidiary was consolidated using unaudited management financial statements as it had been placed under Member's Voluntary Winding-up. Further details of the Member's Voluntary Winding-up are disclosed in Note 11(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. INVESTMENT IN SUBSIDIARIES (continued)

(a) Acquisition of a subsidiary

2024

On 27 September 2024, IL Energy Sdn. Bhd. ("IL Energy"), a wholly-owned subsidiary of the Company had acquired the entire equity interest in Armani Sinar Sdn. Bhd. ("ASSB") comprising of 1,000,000 ordinary shares for a total cash consideration of RM30,000,000. Consequently, ASSB become an indirect wholly-owned subsidiary of the Company.

(i) Fair value of identifiable assets acquired and liabilities recognised:

	2024 RM
Asset	
Property, plant & equipment (Note 9)	280,321
Inventories	6,587,189
Receivables	3,050,657
Contract assets (Note 17(c))	3,056,231
Cash and bank balances	35,372
	13,009,770
Liabilities	
Loans and borrowings	(183,536)
Deferred tax liabilities (Note 24)	(11,835)
Payables	(7,142,121)
Tax liabilities	(1,000,626)
	(8,348,128)
Total identifiable net assets acquired	4,671,652
Intangible assets arising on acquisition (Note 10)	3,393,091
Goodwill arising on acquisition (Note 10)	22,749,599
Deferred tax liabilities related to intangible assets arising from acquisition (Note 24)	(814,342)
	29,721,449
Fair value of consideration transferred	30,000,000

(ii) Effects of acquisition on cash flows:

	RM
Fair value of consideration transferred	30,000,000
Less: Cash and cash equivalent of a subsidiary acquired	(35,372)
	29,964,628
Net cash outflows on acquisition	29,964,628



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. INVESTMENT IN SUBSIDIARIES (continued)

(a) Acquisition of a subsidiary (continued)

(iii) Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:

	RM
Revenue	2,177,748
Loss for the financial period	(123,048)

If the acquisition had occurred on 1 January 2024, the consolidated results for the financial year ended 31 December 2024 would have been as follows:

	RM
Revenue	11,448,575
Profit for the financial year	2,098,010

(b) Dissolution of a subsidiary

On 26 November 2024, Integrated Logistics (H.K.) Limited ("ILHK") in which the Company has 70% effective equity interest, has commenced Members' Voluntary Winding-up.

The Members' Voluntary Winding up of ILHK has not been completed at the end of the financial year.

(c) Non-controlling interests

The financial information of the Group's subsidiary that has non-controlling interests ("NCI") are as follows:

	ILHK	
	2024	2023
	RM	RM
NCI percentage of ownership interest and voting interest	30%	30%
Carrying amount of NCI	7,098,930	9,497,066
(Loss)/Profit allocated to NCI	(2,051,562)	323,669

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. INVESTMENT IN SUBSIDIARIES (continued)

(c) Non-controlling interests (continued)

The summarised financial information (before intra-group elimination) of the Group's subsidiary that have NCI as at the end of each reporting period are as follows:

	2024	ILHK	2023
	RM		RM
Assets and liabilities			
Non-current assets	23,519,252		32,843,902
Current assets	143,849		1,935,982
Non-current liabilities	–		–
Current liabilities	–		(3,122,999)
Net assets	23,663,101		31,656,885
Results			
Revenue	–		–
(Loss)/Profit for the financial year	(6,838,540)		1,078,896
Total comprehensive loss	(9,068,228)		(454,854)
Cash flows information			
Cash flows used in operating activities	(497,842)		(23,192,928)
Cash flows from investing activities	–		1,985
Cash flows used in financing activities	(1,410,999)		–
Net decrease in cash and cash equivalents	(1,908,841)		(23,190,943)

12. INVESTMENT IN ASSOCIATES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Unquoted shares, at cost				
At 1 January/31 December	4,394,800	4,394,800	9,507,500	9,507,500
Share of results				
Group's share of profit or loss				
At 1 January	4,466,189	4,456,791	–	–
Share of (loss)/profit	(26,867)	9,398	–	–
At 31 December	4,439,322	4,466,189	–	–
Group's share of other comprehensive income				
At 1 January/31 December	5,583,300	5,583,300	–	–
	14,417,422	14,444,289	9,507,500	9,507,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. INVESTMENT IN ASSOCIATES (continued)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Quoted shares outside Malaysia, at cost				
At 1 January/31 December	66,096,686	66,096,686	–	–
Less: Accumulated impairment losses				
At 1 January	(54,854,704)	(59,816,091)	–	–
Additions	(6,632,609)	–	–	–
Reversal	–	4,961,387	–	–
At 31 December	(61,487,313)	(54,854,704)	–	–
Share of results				
At 1 January	21,162,709	24,909,063	–	–
Share of profit/(loss)	77,990	(3,746,354)	–	–
At 31 December	21,240,699	21,162,709	–	–
Exchange differences	(2,330,556)	439,475	–	–
	23,519,516	32,844,166	–	–
	37,936,938	47,288,455	9,507,500	9,507,500
Market value:				
Quoted shares outside Malaysia	23,519,516	32,844,166		

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Effective equity interest	
			2024	2023
Integrated Mits Sdn. Bhd.	Malaysia	Warehousing and related value added services	50%	50%
Interest held through Integrated Logistics (H.K.) Limited				
Hengyang Petrochemical Logistics Limited #	Singapore	Investment holding	18.1%	18.1%

Audited by auditors other than Baker Tilly Monteiro Heng PLT.

(a) Fair value information

As at 31 December 2024, the fair value of Hengyang Petrochemical Logistics Limited, which is listed on Singapore Exchange Limited, was RM23,519,516 (2023: RM32,844,166) based on the quoted market price available on the stock exchange, which has been categorised within Level 1 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. INVESTMENT IN ASSOCIATES (continued)

(b) The following table illustrates the summarised financial information of the associates:

	Hengyang Petrochemical Logistics Limited RM	Integrated Mits Sdn. Bhd. RM	Total RM
2024			
Assets and liabilities			
Non-current assets	331,353,915	15,431,228	346,785,143
Current assets	12,125,150	4,390,215	16,515,365
Non-current liabilities	–	(2,092,881)	(2,092,881)
Current liabilities	(1,439,271)	(58,675)	(1,497,946)
Net assets	342,039,794	17,669,887	359,709,681
Results			
Revenue	–	1,438,483	1,438,483
Profit/(Loss) for the financial year	302,064	(53,734)	248,330
Total comprehensive income/(loss)	302,064	(53,734)	248,330
2023			
Assets and liabilities			
Non-current assets	341,946,769	16,003,624	357,950,393
Current assets	15,131,875	3,988,187	19,120,062
Non-current liabilities	(38,782)	(2,210,958)	(2,249,740)
Current liabilities	(1,031,238)	(57,232)	(1,088,470)
Net assets	356,008,624	17,723,621	373,732,245
Results			
Revenue	–	1,438,483	1,438,483
(Loss)/Profit for the financial year	(14,519,421)	18,795	(14,500,626)
Total comprehensive (loss)/income	(14,519,421)	18,795	(14,500,626)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. INVESTMENT IN ASSOCIATES (continued)

- (c) The reconciliation of net assets of the associates to the carrying amount of the investment in associates are as follows:

	Hengyang Petrochemical Logistics Limited RM	Integrated Mits Sdn. Bhd. RM	Total RM
2024			
Group's share of net assets	76,045,218	7,600,360	83,645,578
Goodwill	11,292,167	1,233,762	12,525,929
Exchange differences	(2,330,556)	–	(2,330,556)
Share of revaluation reserve*	–	5,583,300	5,583,300
Less: Accumulated impairment losses	(61,487,313)	–	(61,487,313)
Carrying amount in the consolidated statements of financial position	23,519,516	14,417,422	37,936,938
Group's share of results	77,990	(26,867)	51,123
2023			
Group's share of net assets	75,967,228	7,627,227	83,594,455
Goodwill	11,292,167	1,233,762	12,525,929
Exchange differences	439,475	–	439,475
Share of revaluation reserve*	–	5,583,300	5,583,300
Less: Accumulated impairment losses	(54,854,704)	–	(54,854,704)
Carrying amount in the consolidated statements of financial position	32,844,166	14,444,289	47,288,455
Group's share of results	(3,746,354)	9,398	(3,736,956)

* In preparing the consolidated financial statements of the Group, uniform accounting policy is effected to recognise the share of revaluation reserve on freehold land of an associate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. OTHER INVESTMENTS

	Group and Company	
	2024	2023
	RM	RM
Non-current:		
Financial assets designated at fair value through other comprehensive income ("FVOCI")		
At fair value:		
Golf club membership	270,000	270,000
Financial assets at fair value through profit or loss ("FVPL")		
At fair value:		
Income fund	2,003,000	–
	2,273,000	270,000
Current:		
Financial assets at fair value through profit or loss ("FVPL")		
At fair value:		
Money market fund	48,539	–
Total other investment (non-current and current)	2,321,539	270,000

14. INVENTORIES

	Group	
	2024	2023
	RM	RM
Current:		
Finished goods	6,682,171	850,604

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM3,783,475 (2023: RM7,319,467).

15. RECEIVABLES

		Group		Company	
	Note	2024	2023	2024	2023
		RM	RM	RM	RM
Current:					
Trade receivables	(a)	4,240,582	8,507,759	–	–
Retention sum		495,231	299,711	–	–
		4,735,813	8,807,470	–	–
Other receivables, deposits and prepayments (Note 16)		1,504,181	409,358	24,242,409	13,641,545
Total trade and other receivables		6,239,994	9,216,828	24,242,409	13,641,545

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

15. RECEIVABLES (continued)

- (a) Trade receivables are non-interest bearing and are generally on 10 to 120 days (2023: 10 to 120 days) credit terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

The Group does not hold any collateral or other credit enhancements over these balances.

The information about the credit exposure is disclosed in Note 31(c).

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	(a)	948,400	152,620	140,623	141,792
Amounts owing by subsidiaries	(b)	–	–	23,845,672	13,386,845
Deposits		397,158	143,217	148,411	22,370
Prepayments		158,623	113,521	107,703	90,538
		1,504,181	409,358	24,242,409	13,641,545

- (a) Included in other receivables of the Group is an amount of RM609,652 (2023: Nil) representing interim revenue receivables upon completion of the solar asset acquisition.

- (b) Amounts owing by subsidiaries are unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

17. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024 RM	2023 RM
Contract assets relating to construction service contracts	2,934,938	9,207
Contract assets relating to sales of electricity	818,016	623,713
Total contract assets	3,752,954	632,920
Contract liabilities relating to construction service contracts	(256,453)	(316,613)
Contract liabilities relating to operating and maintenance contracts	(79,858)	–
Total contract liabilities	(336,311)	(316,613)

(a) Contract assets

The contract assets represent the Group's rights to consideration for the work performed for the construction contracts and sales of electricity but yet to be billed. Contract assets are transferred to receivables when the Group issues progress billings to the customers. Typically, the amount will be billed within 10 days for construction contract and upon acceptance for sales of electricity.

(b) Contract liabilities

The contract liabilities represent progress billings and deposits received for construction contracts and operation and maintenance contracts for which performance obligations have not been satisfied.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

17. CONTRACT ASSETS/(LIABILITIES) (continued)

(c) Significant changes in contract balances

	Group			
	Contract assets Increase/ (decrease)	Contract liabilities (Increase)/ decrease	Contract assets Increase/ (decrease)	Contract liabilities (Increase)/ decrease
	2024 RM	2024 RM	2023 RM	2023 RM
Revenue recognised that was included in contract liability at the beginning of the financial year	–	316,613	–	1,797
Increase due to acquisition of a subsidiary (Note 11(a))	3,056,231	–	–	–
Increase due to consideration received from customers, but revenue not recognised	–	(336,311)	–	(316,613)
Increase due to revenue recognised for unbilled goods or services transferred to customers	3,752,954	–	624,313	–
Transfer from contract assets recognised at the beginning of the financial year to profit or loss	(3,689,151)	–	–	–

(d) Revenue recognised in relation to contract balances

	Group	
	2024 RM	2023 RM
Revenue recognised that was included in contract liability at the beginning of the financial year	316,613	1,797

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits with licensed banks (Notes (a))	13,474,079	51,135,091	–	47,756,801
Cash and bank balances	22,831,406	9,170,256	4,042,102	5,077,812
Deposits, cash and bank balances as reported in the statements of financial position	36,305,485	60,305,347	4,042,102	52,834,613
Less: Deposits with maturity period more than 3 months	–	(22,085,863)	–	(22,085,863)
Deposits pledged to a financial institution (Note (b))	(13,474,079)	(3,378,290)	–	–
Cash and bank balances pledged to a financial institution (Note (c))	(6,386,994)	(1,049,577)	–	–
Cash and cash equivalents as reported in the statements of cash flows	16,444,412	33,791,617	4,042,102	30,748,750

- (a) Deposits with licensed banks of the Group and of the Company bear interest at rates ranging from 2.00% to 2.50% (2023: 2.80% to 4.00%) per annum with maturity periods ranging from 1 month to 6 months (2023: 1 month to 6 months).
- (b) Included in the deposits of the Group are amounts of RM10,016,940 (2023: Nil) pledged to a financial institution as security to secure banking facilities of the Group as disclosed in Note 23 and RM3,457,139 (2023: RM3,378,290) pledged for trade line facility amounting to RM16,000,000 (2023: RM16,000,000) granted to a subsidiary.
- (c) Included in the cash and bank balances of the Group are amounts of RM6,386,994 (2023: RM1,049,577) pledged to a financial institution as security to secure term loans of the Group as disclosed in Note 23.

19. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The Company had received a letter offer to purchase the freehold land and office building for a total cash consideration of RM6.88 million.

The non-current assets related to the letter offer have been presented as held for sale. The completion of the transaction is expected by the third quarter of 2025.

In accordance with MFRS 5, the non-current assets held for sale had been written down to the fair value less costs to sell as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	–	–	–	–
Transfer from property, plant and equipment (Note 9)	6,843,337	–	6,880,000	–
At end of the financial year	6,843,337	–	6,880,000	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

20. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		← Amounts →	
	2024 Unit	2023 Unit	2024 RM	2023 RM
Issue and fully paid up (no par value):				
At beginning/end of the financial year	195,025,503	195,025,503	225,670,706	225,670,706

The holders of ordinary shares (except treasury shares) are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

21. TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 17 May 2024, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company believe that the repurchase plan are applied in the best interests of the Company and its shareholders. The share repurchases made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

The Company held 6,125,175 treasury shares out of its 195,025,503 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM4,797,033 (2023: RM4,797,033).

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

22. RESERVES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Foreign exchange translation reserve	(a)	(4,263,122)	(1,991,025)	–	–
Other reserve	(b)	9,876,419	9,876,419	–	–
Revaluation reserve	(c)	14,830,681	15,489,027	11,874	670,220
Accumulated losses		(26,913,530)	(20,126,844)	(38,654,339)	(35,691,222)
		(6,469,552)	3,247,577	(38,642,465)	(35,021,002)

(a) Foreign exchange translation reserve - non-distributable

The foreign exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Other reserve - non-distributable

Other reserve represents the share of surplus arising from the change in ownership interest of a subsidiary of an associate, Hengyang Petrochemical Logistics Limited in prior years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

22. RESERVES (continued)

(c) Revaluation reserve - non-distributable

The revaluation reserve represents the surplus arising from revaluation of freehold land. The amount presented is net of deferred tax liabilities.

23. LOANS AND BORROWINGS

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current:					
Term loans	(a)	37,353,765	18,502,389	–	487,949
Lease liabilities	(b)	2,447,884	–	2,365,409	–
Hire purchase payables	(c)	407,838	–	–	–
		40,209,487	18,502,389	2,365,409	487,949
Current:					
Term loans	(a)	2,600,447	4,837,443	–	613,443
Lease liabilities	(b)	282,413	–	231,718	–
Hire purchase payables	(c)	68,280	–	–	–
		2,951,140	4,837,443	231,718	613,443
		43,160,627	23,339,832	2,597,127	1,101,392
Total loans and borrowings:					
Term loans	(a)	39,954,212	23,339,832	–	1,101,392
Lease liabilities	(b)	2,730,297	–	2,597,127	–
Hire purchase payables	(c)	476,118	–	–	–
		43,160,627	23,339,832	2,597,127	1,101,392

(a) Term loans

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current					
Secured					
Term loan 1	(i)	–	487,949	–	487,949
Term loan 2	(ii)	–	18,014,440	–	–
Term loan 3	(iii)	20,154,564	–	–	–
Term loan 4	(iv)	17,199,201	–	–	–
		37,353,765	18,502,389	–	487,949

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. LOANS AND BORROWINGS (continued)

(a) Term loans (continued)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Current Secured					
Term loan 1	(i)	–	613,443	–	613,443
Term loan 2	(ii)	–	4,224,000	–	–
Term loan 3	(iii)	897,907	–	–	–
Term loan 4	(iv)	1,702,540	–	–	–
		2,600,447	4,837,443	–	613,443
Total term loans		39,954,212	23,339,832	–	1,101,392

(i) Term loan 1

In previous financial year, term loan 1 bears interest at a rate of 4.92% per annum is repayable by monthly instalments of RM51,250 over 53 months followed by monthly instalments of RM54,514 over 60 months and last instalment of the remaining loan balance, commencing from the day of full drawdown of the term loan.

The term loan is secured by pledge of the Company's freehold land and office building included in property, plant and equipment as disclosed in Note 9(b).

(ii) Term loan 2

In previous financial year, term loan 2 bears interest at a rate of 5.67% per annum is repayable by monthly instalments of RM352,000 over 131 months and last instalment of the remaining loan balance, commencing on the first day of the 13th month from the date of first drawdown of the term loan or upon receiving income from the sales of electricity to Tenaga National Berhad, whichever is earlier.

The term loan 2 is secured by the following:

- (1) the subsidiary's freehold land and solar photovoltaic in property, plant and equipment (Note 9(b));
- (2) supported by debt services reserve account; and
- (3) supported by corporate guarantee from the Company.

(iii) Term loan 3

Term loan 3 bears interest at a rate of 5.70% (2023: Nil) per annum is repayable by monthly instalments of RM238,992 over 120 months (including 6 months grace period) from the first business day of the following month from the date of first drawdown.

The term loan 3 is secured by the following:

- (1) the subsidiary's freehold land and solar photovoltaic in property, plant and equipment (Note 9(b));
- (2) supported by cash and bank balances (Note 18(b) and Note 18(c));
- (3) supported by corporate guarantee from the Company;
- (4) Pledge of unquoted shares of a subsidiary;
- (5) Personal guarantee by a Key Management Personnel of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. LOANS AND BORROWINGS (continued)

(a) Term loans (continued)

(iv) Term loan 4

Term loan 4 bears interest at a rate of 5.00% (2023: Nil) per annum is repayable by monthly instalments of RM217,435 over 120 months from the first business day of the following month from the date of first drawdown.

The term loan 4 is secured by the following:

- (1) the subsidiary's freehold land and solar photovoltaic in property, plant and equipment (Note 9(b));
- (2) supported by cash and bank balances (Note 18(c)); and
- (3) supported by corporate guarantee from the Company.

(b) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Minimum lease payments				
Not later than one year	452,882	–	396,482	–
Later than one year and not later than 5 years	1,671,470	–	1,585,930	–
Later than 5 years	1,420,729	–	1,420,729	–
	3,545,081	–	3,403,141	–
Less: Future finance charges	(814,784)	–	(806,014)	–
Present value of minimum lease payments	2,730,297	–	2,597,127	–
Present value of minimum lease payments				
Not later than one year	282,413	–	231,718	–
Later than one year and not later than 5 years	1,180,908	–	1,098,433	–
Later than 5 years	1,266,976	–	1,266,976	–
	2,730,297	–	2,597,127	–
Less: Amount due within 12 months	(282,413)	–	(231,718)	–
Amount due after 12 months	2,447,884	–	2,365,409	–

The lease liabilities bear interest at rates ranging from 5.41% to 6.70% per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. LOANS AND BORROWINGS (continued)

(c) Hire purchase payables

Future minimum hire purchase payments together with the present value of net minimum hire purchase payments are as follows:

	2024	Group	2023
	RM		RM
Minimum hire purchase payments			
Not later than one year	89,244		–
Later than one year and not later than 5 years	323,531		–
Later than 5 years	137,274		–
	550,049		–
Less: Future finance charges	(73,931)		–
Present value of minimum hire purchase payments	476,118		–
Present value of minimum hire purchase payments			
Not later than one year	68,280		–
Later than one year and not later than 5 years	275,832		–
Later than 5 years	132,006		–
	476,118		–
Less: Amount due within 12 months	(68,280)		–
Amount due after 12 months	407,838		–

The hire purchase payables bear interest at rates ranging from 2.36% to 3.30% per annum.

24. DEFERRED TAX LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At 1 January	2,333,743	2,212,718	74,469	74,469
Recognised in profit or loss (Note 7)	184,086	121,025	–	–
Acquisition of a subsidiary (Note 11(a))	11,835	–	–	–
Deferred tax liabilities related to intangible assets arising from acquisition (Note 11(a))	814,342	–	–	–
Deferred tax relating to property, plant and equipment (Note 9)	(73,150)	–	(73,150)	–
At 31 December	3,270,856	2,333,743	1,319	74,469

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

24. DEFERRED TAX LIABILITIES (continued)

This is in respect of estimated deferred tax liabilities/(assets) arising from temporary differences as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax liabilities				
Surplus arising from revaluation of freehold land	1,074,612	1,147,762	1,319	74,469
Differences between carrying amount of property, plant and equipment and their tax bases	12,259,638	12,551,227	–	–
Customer contract	1,219,183	435,983	–	–
	14,553,433	14,134,972	1,319	74,469
Deferred tax assets				
Unabsorbed capital allowances	(9,057,325)	(9,875,773)	–	–
Unused business losses	(90,689)	(164,404)	–	–
Unabsorbed investment tax allowances	(2,134,563)	(1,761,052)	–	–
	(11,282,577)	(11,801,229)	–	–
	3,270,856	2,333,743	1,319	74,469

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2024 RM	2023 RM
Unused business losses	21,174,362	20,979,083
Unabsorbed investment tax allowances	48,100,256	49,602,630
Unabsorbed capital allowances	58,733	–
	69,333,351	70,581,713

The unused business losses are available indefinitely for offset against future taxable profits of the Group.

25. PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables	6,428,223	–	–	–
Other payables, deposits and accruals (Note 26)	2,274,546	3,252,369	17,967,351	16,681,440
	8,702,769	3,252,369	17,967,351	16,681,440

The normal trade credit terms granted to the Group and the Company ranging from 45 to 60 days (2023: 45 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

26. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables:				
- external parties	657,813	1,649,197	39,061	17,509
- corporate shareholder	–	922,781	–	–
- a subsidiary	–	–	17,067,542	16,452,800
- an associate	109,374	54,687	109,374	54,687
	767,187	2,626,665	17,215,977	16,524,996
Accruals	1,327,326	625,704	751,374	156,444
Deposits	180,033	–	–	–
	2,274,546	3,252,369	17,967,351	16,681,440

The amounts owing to a corporate shareholder, a subsidiary and an associate are non-trade in nature, unsecured, interest-free and are repayable on demand by cash.

Included in accruals of the Group is an amount of RM117,550 (2023: RM7,788) arising from cost accrued for the solar project.

27. SEGMENT INFORMATION

For management purposes, the Group is organised into business segments based on their services and has one reportable operating segment which is solar energy and related businesses.

Other non-reportable segments comprise of investment holding and dormant companies.

Inter-segment pricing is determined on negotiated terms.

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

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

27. SEGMENT INFORMATION (continued)

(a) Operating segments

	Solar energy and related businesses		Others		Adjustments and eliminations		Note	Total	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM		2024 RM	2023 RM
<u>Revenue</u>									
External revenue	12,221,537	46,180,835	-	-	-	-		12,221,537	46,180,835
Inter-segment revenue	-	110,021	-	-	-	(110,021)		-	-
Total revenue	12,221,537	46,290,856	-	-	-	(110,021)		12,221,537	46,180,835
<u>Results</u>									
Amortisation of intangible assets	-	-	-	-	129,757	129,757		129,757	129,757
Depreciation of property, plant and equipment	4,377,704	3,981,198	232,736	187,150	(4,356)	(2,541)		4,606,084	4,165,807
Impairment loss/(Reversal of impairment loss) on interest in an associate	-	-	6,632,609	(4,961,387)	-	-		6,632,609	(4,961,387)
Income distribution from other investment	-	-	(179,372)	-	-	-		(179,372)	-
Interest expense	1,201,385	1,340,458	106,007	4,431,462	-	-		1,307,392	5,771,920
Interest income	(110,508)	(167,215)	(1,284,573)	(2,755,733)	-	-		(1,395,081)	(2,922,948)
Non-cash (income) /expenses (other than depreciation and amortisation)	(392,251)	507,123	(349,140)	(4,078,500)	-	-	A	(741,391)	(3,571,377)
Expenses relating to short-term leases	103,921	17,569	743,544	759,796	(99,121)	-		748,344	777,365
Expenses relating to low value assets	-	-	14,753	13,824	-	-		14,753	13,824
Rental income	-	-	(1,786,599)	(1,687,478)	99,121	-		(1,687,478)	(1,687,478)
Segment profit/(loss)	1,027,878	1,174,267	(9,728,147)	3,309,282	51,123	(3,736,956)	B	(8,649,146)	746,593

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

27. SEGMENT INFORMATION (continued)

(a) Operating segments (continued)

Reconciliation of reportable segment revenue, profit or loss, and other material items are as follows:

A Other non-cash (income)/expenses consist of the following:

	2024	2023
	RM	RM
Fair value gain on other investments	(444,568)	–
Loss/(Gain) on disposal of property, plant and equipment	965	(78,299)
(Reversal of impairment loss)/Impairment loss on property, plant and equipment	(589,826)	589,826
Property, plant and equipment written off	196,614	3
Unrealised loss/(gain) on foreign exchange	95,424	(685,395)
Waiver of amount owing to a corporate shareholder	–	(3,397,512)
	(741,391)	(3,571,377)

B The following items are added to/(deducted from) segment profit/(loss) to arrive at “(Loss)/Profit before tax” presented in the statements of comprehensive income:

		Group	
	2024		2023
	RM		RM
Share of results of associates	51,123		(3,736,956)
	51,123		(3,736,956)

(b) Geographical segments

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

(c) Major customers

For solar energy and related businesses segment, revenue from one (2023: three) major individual customer represented approximately RM8.8 million (2023: RM44.9 million) for the Group’s total revenue.

28. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability to control the party directly or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have a related party relationship with its subsidiaries, associates, corporate shareholder, related parties (entities in which directors have financial interests), and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28. RELATED PARTIES (continued)

(b) Significant related party transactions

Significant related party transactions are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Received or receivable from a corporate shareholder				
- Waiver of debts	–	(3,397,512)	–	–
Paid or payable to an associate				
- Rental of premises	656,242	656,242	656,242	656,242
Paid or payable to related parties				
- Rental of premises	175,492	–	175,492	–
- Administrative expenses	17,225	–	11,938	–
(Received or receivable from)/Paid or payable to subsidiaries				
- Administrative expenses	–	–	(28,529)	–
- Rental of premises	–	–	(99,121)	–
- Property, plant and equipment	–	–	–	110,021

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entity, including any director of the Company.

The remuneration of the key management personnel other than those as disclosed in Note 6 is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other key management personnel:				
Short-term employee benefits	529,113	301,217	384,282	265,024
Post-employment benefits	62,820	35,964	45,540	31,644
	591,933	337,181	429,822	296,668

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Designated FVOCI
- (ii) FVPL
- (iii) Amortised cost

	2024 RM	2023 RM
Group		
Financial assets		
Designated FVOCI		
Other investment	270,000	270,000
<hr/>		
FVPL		
Other investment	2,051,539	–
<hr/>		
Amortised cost		
Receivables (excluding prepayments)	6,081,371	9,103,307
Deposits, cash and bank balances	36,305,485	60,305,347
	42,386,856	69,408,654
<hr/>		
Financial liabilities		
Amortised cost		
Loans and borrowings (excluding lease liabilities)	40,430,330	23,339,832
Payables	8,702,769	3,252,369
	49,133,099	26,592,201
<hr/>		
Company		
Financial assets		
Designated FVOCI		
Other investment	270,000	270,000
<hr/>		
FVPL		
Other investment	2,051,539	–
<hr/>		
Amortised cost		
Receivables (excluding prepayments)	24,134,706	13,551,007
Deposits, cash and bank balances	4,042,102	52,834,613
	28,176,808	66,385,620
<hr/>		
Financial liabilities		
Amortised cost		
Loans and borrowings (excluding lease liabilities)	–	1,101,392
Payables	17,967,351	16,681,440
	17,967,351	17,782,832
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL INSTRUMENTS (continued)

(b) Fair values measurements

The carrying amounts of deposits, cash and bank balances, short-term receivables and payables and short-term loans and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of floating rate loans are reasonable approximation of fair value as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between level 1, level 2 and level 3 during the financial year (2023: no transfer in either direction).

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

Group	Carrying amount RM	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	
2024								
Financial assets								
Other investment	270,000	-	270,000	-	-	-	-	-
- golf club membership	2,003,000	2,003,000	-	-	-	-	-	-
- income fund	48,539	48,539	-	-	-	-	-	-
- money market fund								
	2,321,539	2,051,539	270,000	-	-	-	-	-
Financial liability								
Hire purchase payables	476,118	-	-	-	-	-	452,703	452,703
2023								
Financial asset								
Other investment	270,000	-	270,000	-	-	-	-	-
- golf club membership								

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. FINANCIAL INSTRUMENTS (continued)

(b) Fair values measurements (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments: (continued)

	Carrying amount RM	Fair value of financial instruments carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	
Company					
2024					
Financial assets					
Other investment					
- golf club membership	270,000	–	270,000	–	270,000
- income fund	2,003,000	2,003,000	–	–	2,003,000
- money market fund	48,539	48,539	–	–	48,539
	2,321,539	2,051,539	270,000	–	2,321,539
2023					
Financial asset					
Other investment					
- golf club membership	270,000	–	270,000	–	270,000

30. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Group	
	2024 RM	2023 RM
Approved and contracted for, but not provided for:		
- property, plant and equipment	53,555,863	1,822,609

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Board of Directors review and agree to the policies and procedures for the management of these risks, which are exercised by the Executive Directors and the Chief Financial Officer. The Audit & Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Foreign currency risk (continued)

The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings) that are denominated in a foreign currency and the Group's net investments in foreign subsidiaries.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	← Group Functional currencies →			← Company Functional currencies →	
	Hong Kong Dollar RM	Ringgit Malaysia RM	Total RM	Ringgit Malaysia RM	Total RM
31 December 2024					
Financial assets and liabilities not held in functional currencies:					
<u>Deposits, cash and bank balances</u>					
Hong Kong Dollar	–	429,407	429,407	429,407	429,407
United States Dollar	1,629	3,098,156	3,099,785	3,098,156	3,098,156
Singapore Dollar	–	39,339	39,339	39,339	39,339
<hr/>					
<u>Other payable</u>					
Hong Kong Dollar	–	–	–	17,067,542	17,067,542
<hr/>					
31 December 2023					
Financial assets and liabilities not held in functional currencies:					
<u>Deposits, cash and bank balances</u>					
Hong Kong Dollar	–	24,536	24,536	24,536	24,536
United States Dollar	324,728	15,619,571	15,944,299	15,619,571	15,619,571
<hr/>					
<u>Other payables</u>					
Hong Kong Dollar	–	–	–	16,452,800	16,452,800
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The Group's and the Company's principal foreign currency exposure relates mainly to Hong Kong Dollar ("HKD"), United States Dollar ("USD") and Singapore Dollar ("SGD").

The following table demonstrates the sensitivity to a reasonably possible change in the HKD, USD and SGD, with all other variables held constant on the Group's and the Company's profit/(loss) for the financial year.

	Group		Company	
	Effect on profit for the financial year		Effect on profit for the financial year	
	2024	2023	2024	2023
	RM	RM	RM	RM
HKD				
- strengthened 1% (2023: 1%)	3,263	186	(126,450)	(124,855)
- weakened 1% (2023: 1%)	(3,263)	(186)	126,450	124,855
USD				
- strengthened 1% (2023: 1%)	23,558	121,177	23,546	118,709
- weakened 1% (2023: 1%)	(23,558)	(121,177)	(23,546)	(118,709)
SGD				
- strengthened 1% (2023: 1%)	299	-	299	-
- weakened 1% (2023: 1%)	(299)	-	(299)	-

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk relates to bank deposits and loans and borrowings with floating interest rates.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets.

Sensitivity analysis for interest rate risk

As at the end of the financial year, a change of 100 basis points in interest rates, with all other variables held constant, would decrease or increase the equity and (loss)/profit after tax by approximately RM303,652 (2023: RM177,383) arising mainly as a result of higher/lower interest expense on floating rate loans.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with licensed banks, foreign exchange transactions and other financial instruments. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The Group considers a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than 45 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

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

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses ageing analysis to monitor the credit quality of trade receivables. In managing credit risks of trade receivables, the Group also take appropriate actions (including but not limited to legal actions) to recover long past due balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile

As at 31 December 2024, 58% (2023: 90%) of the Group's total trade receivables was due from one (2023: one) major customer who was involved in solar energy activities.

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix are as follows:

	Contract assets	Current	Trade receivables >30 days past due	>60 days past due	Total
Group					
At 31 December 2024					
Expected credit loss rate	0%	0%	0%	0%	0%
Gross carrying amount at default (RM)	3,752,954	1,757,551	785,629	2,192,633	4,735,813
At 31 December 2023					
Expected credit loss rate	0%	0%	0%	0%	0%
Gross carrying amount at default (RM)	632,920	8,807,470	–	–	8,807,470

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities and deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. There is no expected credit loss being recognised for other receivables of the Group and the Company.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

Other receivables and other financial assets (continued)

Some intercompany balances between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

Financial guarantees contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM39,954,212 (2023: RM22,238,440) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 31(d). As at the reporting date, there was no loss allowance for expected credit losses as determined by the Company for the financial guarantees.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from payables, loan and borrowings.

The Group and the Company actively manages its operating cash flows and the availability of funding so as to ensure that funding needs are met. The Group and the Company strive to maintain available banking facilities of a reasonable level to its overall debt position.

The Group and the Company employ projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required and by monitoring the working capital of the Group and the Company to ensure that all liabilities due and known funding requirements could be met.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity risk (continued)

Maturity analysis:

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations:

	← Contractual undiscounted cash flows →				Total RM
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
2024					
Group					
Financial liabilities					
Term loans	39,954,212	4,641,672	21,908,496	24,820,182	51,370,350
Lease liabilities	2,730,297	452,882	1,671,470	1,420,729	3,545,081
Hire purchase payables	476,118	89,244	323,531	137,274	550,049
Payables	8,702,769	8,702,769	–	–	8,702,769
	51,863,396	13,886,567	23,903,497	26,378,185	64,168,249
Company					
Financial liabilities					
Lease liabilities	2,597,127	396,482	1,585,930	1,420,729	3,403,141
Payables	17,967,351	17,967,351	–	–	17,967,351
Financial guarantees contracts	–	39,954,212	–	–	39,954,212
	20,564,478	58,318,045	1,585,930	1,420,729	61,324,704
2023					
Group					
Financial liabilities					
Term loans	23,339,832	5,745,082	19,058,227	1,126,622	25,929,931
Payables	3,252,369	3,252,369	–	–	3,252,369
	26,592,201	8,997,451	19,058,227	1,126,622	29,182,300
Company					
Financial liabilities					
Term loans	1,101,392	654,168	498,218	–	1,152,386
Payables	16,681,440	16,681,440	–	–	16,681,440
Financial guarantees contracts	–	22,238,440	–	–	22,238,440
	17,782,832	39,574,048	498,218	–	40,072,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities in the Group will be able to continue as a going concern, maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

Deposits are made at varying periods depending on the immediate cash requirements of the Group and of the Company, and earn interests at the respective short-term deposit rates.

The Group reviews the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loans and borrowings	43,160,627	23,339,832	2,597,127	1,101,392
Payables	8,702,769	3,252,369	17,967,351	16,681,440
Total debts	51,863,396	26,592,201	20,564,478	17,782,832
Less: Deposits, cash and bank balances	(36,305,485)	(60,305,347)	(4,042,102)	(52,834,613)
Net cash	15,557,911	(33,713,146)	16,522,376	(35,051,781)
Total equity attributable to owners of the Company	214,404,121	224,121,250	182,231,208	185,852,671
Debt-to-equity ratio	0.07	*	0.09	*

* Not meaningful.

The Company is required to comply with the disclosure and necessary capital requirement as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

33. SIGNIFICANT EVENT DURING THE YEAR

On 17 July 2024, IL Energy Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement for the proposed acquisition of solar photovoltaic assets for a total cash consideration of RM68,000,000.

Partial acquisition of the solar photovoltaic asstes amounting to RM13,522,008 has been completed and classified as property, plant and equipment of the Group while the remaining solar photovoltaic assets are expected to complete subsequent to the financial year end.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, **TANG MING YNG** and **TANG WEIHANN**, being two of the directors of NuEnergy Holdings Berhad (formerly known as ILB Group Berhad), do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 64 to 126 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

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

TANG MING YNG
Director

TANG WEIHANN
Director

Kuala Lumpur
Date: 25 April 2025

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, **TOH WOAN FEI**, being the officer primarily responsible for the financial management of NuEnergy Holdings Berhad (formerly known as ILB Group Berhad), do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 64 to 126 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TOH WOAN FEI
MIA Membership No: 23104

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 25 April 2025.

Before me,

HADINUR MOHD SYARIF
Commissioner of Oaths (W761)
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

To the Members of NuEnergy Holdings Berhad (Formerly Known As ILB Group Berhad)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of NuEnergy Holdings Berhad (formerly known as ILB Group Berhad), which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 64 to 126.

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

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

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

Group

Goodwill (Notes 4(a) and 10 to the financial statements)

Goodwill on consolidation arise from the acquisition of a new subsidiary. The goodwill is tested for impairment annually. This assessment required significant judgement by the Group on the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates and gross profit margin.

Our response:

Our audit procedures included, among others:

- understanding the methodology and method adopted by the Group in measuring the recoverable amount in accordance to the requirements of MFRS 136 *Impairment of Assets*;
- understanding the director's assessment of the key assumptions made in the cash flow projection;
- testing the mathematical computation of the recoverable amount calculation; and
- performing the sensitivity analysis of key assumptions that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NUENERGY HOLDINGS BERHAD (FORMERLY KNOWN AS ILB GROUP BERHAD)

Key Audit Matters (continued)

Group (continued)

Business combination (Notes 4(b) and 11 to the financial statements)

During the financial year ended 31 December 2024, the Group made significant acquisition of a new subsidiary.

The fair values of identifiable assets acquired and liabilities assumed have been determined based on the purchase price allocation performed by management experts. The Group has to apply judgement on purchase price allocation in relation to the valuation of the intangible assets and the goodwill balance.

Our response:

Our audit procedures included, among others:

- reading the sales and purchase agreements and understanding the accounting treatment on the acquisition of the subsidiary;
- discussing the work performed by management's experts in respect of the valuation of tangible and intangible assets and liabilities;
- testing the mathematical computations in the allocation of the purchase price to the different assets and liabilities; and
- discussing with management on the appropriateness of the related disclosures.

Construction contract revenue (Notes 4(c) and 5 to the financial statements)

The Group's accounting policy is to recognise the revenue from construction activities over the period of contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of performance obligation is to be determined by reference to proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method).

We focused on this area because the Group's revenue recognition for construction activities requires the exercise of significant judgement to be made by the directors, particularly in determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures included, among others:

- reading the terms and conditions of agreements with customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards anticipated satisfaction of a performance obligation;
- comparing the Group's major assumptions to contractual terms and discussing with project manager; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

Company

We have determined that there are no key audit matters to be communicated in our report which arise from the audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NUENERGY HOLDINGS BERHAD (FORMERLY KNOWN AS ILB GROUP BERHAD)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NUENERGY HOLDINGS BERHAD (FORMERLY KNOWN AS ILB GROUP BERHAD)

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

- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 11 to the financial statements.

Other Matter

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Zu Wei
No. 03545/12/2026 J
Chartered Accountant

Kuala Lumpur

Date: 25 April 2025

PROPERTIES OF NUENERGY

As at 31st December 2024

Location	Description	Age of Land/ Building (Years)	Tenure	Area (sq. ft.)		NBV @ 31-12-2024 (RM)	Year of Acquisition Or Revaluation*
EVN Vision Sdn Bhd Lot 1552, Seberang Perai Utara, Pulau Pinang	Land with Solar Farm	9 7	Freehold	Land - Plant -	115,335	900,000 6,637,277	2022* 2017
IL Solar Sdn Bhd Lot 560, 561, 562, 563 & Lot 2011, Bandar Bukit Kayu Hitam, Daerah Kubang Pasu, Kedah	Agriculture Land with Solar Farm	8 7	Freehold	Land- Plant -	3,349,175	43,535,927 49,209,206	2022* 2017
NuEnergy Holdings Berhad No. 6, Jalan Sungai Buloh 27/101A, Seksyen 27, 40400 Shah Alam, Selangor	Land with Office Building	8 8	Freehold	Land - Build-up -	12,723 13,965	4,868,504 1,896,589	2022*
IL Power Sdn Bhd Lot No. 25358, Mukim Sungai Petani, Daerah Kuala Muda, Kedah	Agriculture Land	5	Freehold	Land	8,494,810	27,000,000	2022*
					Total	134,047,503	

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2025

Issued Share Capital : RM 225,670,706
 Total Number of Issued Shares : 195,025,503
 Class of Shares : Ordinary Shares

Size of Shareholdings	No. of Shareholders		No. of Shares *		% of Issued Shares	
	Malaysian	Foreign	Malaysia	Foreign	Malaysian	Foreign
Less than 100	1,178	53	27,917	878	0.015	0.000
100 - 1,000	501	5	169,248	1,225	0.090	0.001
1,001 - 10,000	2,266	41	7,887,852	152,637	4.176	0.081
10,001 - 100,000	666	19	19,577,768	776,919	10.364	0.411
100,001 - to less than 9,445,016 (**)	129	9	53,076,169	9,104,152	28.097	4.820
9,445,017 and above (***)	2	1	76,970,863	21,154,700	40.747	11.200
Directors shareholdings	0	0	0	0	0.000	0.000
Total	4,742	128	157,709,817	31,190,511	83.489	16.513
Grand Total		4,870		188,900,328		100.00

* Excluding a total of 6,125,175 ordinary shares bought back by the Company and retained as treasury shares

** Less than 5% of issued shares

*** 5% and above of issued shares

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name of shareholder	No. of shares held *	% of issued shares
1.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Agrobulk Holdings Sdn Bhd	53,797,873	28.480
2.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - AmBank (M) Berhad for Fohen Holdings Sdn Bhd	23,172,990	12.267
3.	BT Investment Capital Limited	21,154,700	11.199
4.	HSBC Nominees (Asing) Sdn Bhd Exempt an for the Hongkong and Shanghai Banking Corporation Limited (PB-HKDIV-ACCL)	6,642,000	3.516
5.	Andy Woo Weng Kok	5,000,000	2.647
6.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Agrobulk Holdings Sdn Bhd	4,513,000	2.389
7.	CimSec Nominees (Tempatan) Sdn Bhd CIMB for Sim Keng Chor (PB)	3,317,100	1.756
8.	Rhb Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Simson Sim Xian Zhi	2,126,500	1.126
9.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Simson Sim Xian Zhi (7004419)	2,023,500	1.071
10.	Anastasia Amanda Beh Gaik Sim	1,276,431	0.676
11.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Win Kee (8106483)	1,075,600	0.569
12.	Wong Sze Chen	1,026,300	0.543

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

LIST OF THIRTY LARGEST SHAREHOLDERS (continued)

No.	Name of shareholder	No. of shares held *	% of issued shares
13.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Godwin Tan Pei Poh	977,000	0.517
14.	Low Bok Sang	973,000	0.515
15.	Wang Jim	888,800	0.471
16.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Seng Giap (E-SS2/KDA)	790,300	0.418
17.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Melvin Tan Eng Chong (7004721)	772,400	0.409
18.	Goh Theow Hiang	729,135	0.386
19.	Ong Aik Bin	720,000	0.381
20.	RHB Capital Nominees (Tempatan) Sdn Bhd Sim Keng Chor	683,200	0.362
21.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	682,800	0.361
22.	Lim Hong Liang	668,144	0.354
23.	Kenanga Nominees (Tempatan) Sdn Bhd Chin Kiam Hsung	606,908	0.321
24.	Choo Tai Yuet	600,000	0.318
25.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Simon Sim Xian Zhi	578,700	0.306
26.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	540,268	0.286
27.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Phua Sin Mo	500,000	0.286
28.	Yong Jee Patt	490,800	0.260
29.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Ang Kok Seong (M55015)	470,000	0.249
30.	Yeoh Hsiao Wye	469,600	0.249
	Total	137,267,049	72.68

* Excluding a total of 6,125,175 ordinary shares bought back by the Company and retained as treasury shares

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

THE DIRECTORS SHAREHOLDINGS IN THE COMPANY AS AT 28 MARCH 2025 ARE AS FOLLOWS :-

Name of Directors	Direct No. of Shares	Note	% of issued Shares*	Indirect No. of Shares	Note	% of issued Shares *
Tang Ming Yng	–	–	–	–	–	–
Tang Weihann	–	–	–	–	–	–
Wan Azfar bin Dato' Wan Annuar	–	–	–	–	–	–
Dato' Wan Hashim bin Wan Jusoh	–	–	–	–	–	–
Soh Eng Hooi	–	–	–	–	–	–
Jamilah binti Kamal	10,000	–	0.001	–	–	–
Mohd Ihwan bin Mohamed Yassin	–	–	–	–	–	–

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of the Company as at 28 March 2025 are as follows :-

Name of Shareholder	Direct No. of Shares	Note	% of issued Shares *	Indirect No. of Shares	Note	% of issued Shares *
Agrobulk Holdings Sdn Bhd	58,310,873	1	30.868	–	–	–
Fohen Holdings Sdn Bhd	23,172,990	2	12.267	–	–	–
BT Investment Capital Limited	21,154,700	3	11.199	–	–	–

Notes

1. Held through Kenanga Nominees (Tempatan) Sdn Bhd and HLB Nominees (Tempatan) Sdn Bhd
2. Held through Amsec Nominees (Tempatan) Sdn Bhd
3. Held directly.

* Excluding a total of 6,125,175 ordinary shares bought back by the Company and retained as treasury shares

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 33rd Annual General Meeting (“AGM”) of NuEnergy Holdings Berhad (“NHB” or “Company”) will be held at Royale Ballroom, Level 2, Royale Chulan Damansara, 2 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on Friday 20 June 2025 at 10.30 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

- | | | |
|---|--|------------------------------------|
| 1 | To receive the Directors’ Report and Audited Financial Statements for the financial year ended 31 December 2024 and Auditors Report thereon. | Please refer to Explanatory Note 1 |
| 2 | To approve the payment of Directors’ Fees to the Non-Executive Directors up to an amount of RM487,500 for the period from 33 rd AGM until the next Annual General Meeting of the Company. | (Ordinary Resolution 1) |
| 3 | To approve the payment of Directors’ Benefits to Non-Executive Directors amounting to RM85,000 for the period from 33 rd AGM until the next Annual General Meeting of the Company. | (Ordinary Resolution 2) |
| 4 | To re-elect the following Directors retiring by rotation in accordance with Clause 100 of the Company’s Constitution:- | |
| | a) Dato’ Wan Hashim bin Wan Jusoh | (Ordinary Resolution 3) |
| | b) Soh Eng Hooi | (Ordinary Resolution 4) |
| 5 | To re-elect Mohd Ihwan bin Mohamed Yassin, who is retiring by casual vacancy in accordance with Clause 107 of the Company’s Constitution. | (Ordinary Resolution 5) |
| 6 | To re-appoint Messrs Baker Tilly Monteiro Heng PLT as the Company’s Auditors until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. | (Ordinary Resolution 6) |

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following as Ordinary Resolutions:-

ORDINARY RESOLUTIONS

- | | | |
|---|---|-------------------------|
| 7 | RETENTION OF INDEPENDENT DIRECTOR OF THE COMPANY | (Ordinary Resolution 7) |
| | “ THAT , approval be and is hereby given to Wan Azfar bin Dato’ Wan Annuar who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years after 19 August 2025, to continue to act as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code of Corporate Governance 2021 until the conclusion of the next AGM of the Company.” | |

NOTICE OF ANNUAL GENERAL MEETING

8 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

(Ordinary Resolution 8)

“THAT, subject to the Company’s compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 2016, the provisions of the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy back and/or hold from time to time and at any time such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company (“the Proposed Share Buy-Back”) provided that :-

- i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten (10) per cent of the total number of issued shares of the Company from time to time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders’ mandate for share buy-back which was obtained at the Annual General Meeting held on 28 April 2024, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being quoted on Bursa Securities.
- ii) The maximum amount of funds to be allocated for the purchase of the shares pursuant to the Proposed Share Buy-Back shall not exceed the retained profits.
- iii) The Proposed Share Buy-Back to be undertaken will be in compliance with Section 127 of the Companies Act, 2016 and the Directors will deal with the shares purchased in the following manner:-
 - (a) to cancel the Shares so purchased; or
 - (b) to retain the Shares so purchased as treasury shares for distribution as dividends to the shareholders of the Company and/or re-sell on Bursa Securities in accordance with the Main Market Listing Requirements of Bursa Securities and/or cancellation subsequently; or
 - (c) to retain part of the Shares so purchased as treasury shares and cancel the remainder.

AND THAT such authority to purchase the Company’s own shares will be effective immediately from the passing of this resolution until the conclusion of the next Annual General Meeting (“AGM”) at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally or the passing of the date on which the next AGM is required by law to be held or the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things in accordance with the Companies Act, 2016, the provisions of the Constitution of the Company and the Main Market Listing Requirements of Bursa Securities and all other relevant governmental/regulatory authorities.”

NOTICE OF ANNUAL GENERAL MEETING

9 **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** (Ordinary Resolution 9)

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors of the Company be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next AGM upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.

AND THAT the Directors of the Company whether solely or jointly, be authorised to complete and do all such acts and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate.

AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 54 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act, 2016 AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.”

10 To transact any other ordinary business of the Company for which due notice has been received.

By Order of the Board
Wong Youn Kim (MAICSA 7018778) (SSM PC No. 201908000410)
Ching Chun Keong (MAICSA 7073630) (SSM PC No. 202408000092)
Company Secretaries
Selangor Darul Ehsan
Date: 30 April 2025

NOTES

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 33rd AGM of the Company.
2. Any member of the Company entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him. A proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.
3. If you wish to appoint as your proxy any person other than “the Chairman of the Meeting”, please insert the full name of the proxy (in block letters) in the space provided and delete the words “the Chairman of the Meeting”.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorized.
6. The instrument appointing a proxy must reach the Registered Office of the Company at M-1F-1, M-1F-2 & M-1F-3, Pusat Perdagangan Kota Damansara, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 24 hours before the AGM. The lodging of the proxy form will not preclude shareholders from attending and voting in person at the AGM should they subsequently wish to do so. Alternatively, the proxy form can be electronically lodged with the Company’s Share Registrars at <https://investor.boardroomlimited.com> not less than 24 hours before the AGM.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

1. Item 1 of the Agenda

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

This Agenda item is meant for discussion only as under the provisions of Section 248(2) of the Companies Act, 2016, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put to a vote.

2. Item 2, & 3 of the Agenda

PAYMENT OF DIRECTORS' FEES & BENEFITS TO NON-EXECUTIVE DIRECTORS

Section 230(1) of the Companies Act 2016 provides amongst others, that “the fees” of the directors and “any benefits” payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board had agreed that the shareholders’ approval be sought at the 33rd AGM on the Non-Executive Directors’ remuneration in two separate resolutions as below:

- **Ordinary Resolution 1** on payment of Directors’ Fees to the Non-Executive Directors for the period from 33rd AGM until the next AGM of the Company.
- **Ordinary Resolution 2** on payment of Directors’ Benefits to the Non-Executive Directors for the period from 33rd AGM until the next AGM of the Company.

The details of the remuneration and benefits payable to the Non-Executive Directors which have are as follows:

Directors Fees (per annum)

Chairman of the Audit & Risk Management Committee	- RM 90,000
Independent Non-Executive Director	- RM 60,000

Meeting Allowance (per meeting)

Board Meeting	- RM 500
Board Committee Meeting	- RM 500

Benefits in kind

Medical and insurance coverage

3. Item (7) of the Agenda – Ordinary Resolution No. 7

RETENTION OF INDEPENDENT DIRECTOR OF THE COMPANY

The Nomination & Remuneration Committee has assessed the independence of Wan Azfar bin Dato’ Wan Annuar, who would have served as an Independent Non-Executive Director of the Company for a cumulative term of 9 years after 19 August 2025, and the Board, upon the Nomination & Remuneration Committee’s recommendation, had recommended that he should be retained to continue in office as an Independent Non-Executive Director of the Company based on the following justifications, subject to approval from the shareholders of the Company through a two-tier voting process as stipulated in the Malaysia Code of Corporate Governance (MCCG) 2021:

- (a) He has actively participated in Board deliberations, provided objectivity in decision-making and possesses sufficient self-esteem and confidence to stand up with an independent voice to the Board.
- (b) He has exercised due care during his tenure and carried out his professional duties in the best interest of the Company and shareholders.
- (c) He has not developed, established or maintained any significant relationship which could impair his independence as INEDs, with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of him to carry out his duties as INEDs or member of the Board Committees.
- (d) He has contributed sufficient time and efforts in attending meetings of the Board and Board Committees.



NOTICE OF ANNUAL GENERAL MEETING

4. Item (8) of the Agenda – Ordinary Resolution No. 8

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The proposed ordinary resolution 8, if passed, will empower the Directors of the Company to buy back and/or hold from time to time shares of the Company not exceeding ten (10) percent of the total number of issued shares of the Company from time to time being quoted on Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company.

For further information, please refer to the Share Buy-Back Statement, which is dispatched together with the Notice of the AGM.

5. Item (9) of the Agenda - Ordinary Resolution No. 9

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The proposed ordinary resolution 9 is to seek the shareholders' approval on the renewal of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. If the resolution is duly passed, it will give flexibility to the Directors to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interests of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the last AGM held on 17 May 2024 and which will lapse at the conclusion of this 33rd AGM.

The Company continues to consider opportunities to broaden its earnings potential. If any proposal involves the issuance of new shares, the Directors would have to convene a general meeting to approve the issuance of new shares. In order to avoid any delay and costs involved in convening a general meeting to approve such issuance of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the total number of issued shares of the Company for the time being. The renewed authority will provide flexibility to the Company for the allotment of shares for the purposes of funding future investment, working capital and/or acquisitions.

The approval of the issuance and allotment of the new shares under Sections 75 & 76 of the Companies Act, 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Section 75 & 76 of the Companies Act, 2016, which will result in a dilution of their shareholding percentage in the Company.

By approving Ordinary Resolution No. 9, the shareholders of the Company shall agree to waive and deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Directors who are standing for re-election at the Annual General Meeting of the Company in accordance with Clause 100 of the Company's Constitution are :-

- a) Dato' Wan Hashim bin Wan Jusoh
- b) Soh Eng Hooi

Details of the Directors seeking re-election are set out in the Directors Profiles section and their shareholdings in the Company are set out in this Annual Report.

Based on the assessment and evaluation conducted by the NRC, the retiring Directors met the performance criteria required of an effective and a high-performance Board.

The Board of Directors, taking into the recommendation of NRC, supported the retiring Directors of their re-election as Director at the 33rd AGM of the Company.

2. To re-elect Mohd Ihwan bin Mohamed Yassin in accordance with Clause 107 of the Company's Constitution.

Detail of Directors seeking re-election are set out in the Directors Profiles' section and his shareholdings in the Company are set out in this Annual Report

Based on the assessment and evaluation conducted by the NRC, the retiring Director met the performance criteria required of an effective and a high-performance Board.

The Board of Directors, taking into the recommendation of NRC, supported the retiring Director of his re-election as Director at the 33rd AGM of the Company.

3. Details of attendance at Board Meetings

Four Board Meetings were held during the financial year ended 31 December 2024. Details of attendance of the Directors at Board Meetings are set out in this Annual Report.

4. Date, Time and Place of the 33rd AGM

Date and Time : 20 June 2025 at 10.30 a.m.

Place : Royale Ballroom, Level 2, Royale Chulan Damansara,
2 Jalan PJU 7/3, Mutiara Damansara,
47810 Petaling Jaya, Selangor Darul Ehsan.

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NüEnergy

NUENERGY HOLDINGS BERHAD
(Formerly known as ILB GROUP BERHAD)
Registration No. 199101019353 (229690-K)

PROXY FORM

I/We _____ NRIC No./Company No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

Telephone No.: _____ Email Address: _____

being a member/members of NUENERGY HOLDINGS BERHAD, hereby appoint _____
(FULL NAME IN BLOCK LETTERS)

NRIC No. _____ of _____
(FULL ADDRESS)

Telephone No.: _____ Email Address: _____

or failing him _____ NRIC No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

Telephone No.: _____ Email Address: _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the 33rd Annual General Meeting ("33rd AGM") of the Company to be held at Royale Ballroom, Level 2, Royale Chulan Damansara, 2 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on Friday 20 June 2025 at 10:30 a.m. or any adjournment thereof and to vote as indicated below:-

AS ORDINARY BUSINESS		FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Directors' Fees to Non-Executive Directors up to an amount of RM487,500 for the period from 33 rd AGM until the next AGM of the Company.		
Ordinary Resolution 2	To approve payment of Directors' Benefits (excluding directors' fees) to Non-Executive Directors up to an amount of RM85,000 for the period from 33 rd AGM until the next AGM of the Company.		
Ordinary Resolution 3	To re-elect Dato' Wan Hashim bin Wan Jusoh as Director in accordance with Clause 100 of the Company's Constitution.		
Ordinary Resolution 4	To re-elect Soh Eng Hooi as Director in accordance with Clause 100 of the Company's Constitution.		
Ordinary Resolution 5	To re-elect Mohd Ihwan bin Mohamed Yassin as Director in accordance with Clause 107 of the Company's Constitution.		
Ordinary Resolution 6	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as the Company's Auditors until the conclusion of the next AGM and to authorize the Directors to fix their remuneration.		
AS SPECIAL BUSINESS			
Ordinary Resolution 7	Retention of Wan Azfar bin Dato' Wan Annuar as Independent Non-Executive Director		
Ordinary Resolution 8	Proposed Renewal of Share Buy-Back Authority.		
Ordinary Resolution 9	To authorize the Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016.		

First Proxy	%
Second Proxy	%
Total:	100%

No. of shares held :	
CDS A/C No.:	

Signed this day of, 2025

.....
Signature

NOTE :

- In respect of deposited securities, only members whose names appear in the Record of Depositors as at 13 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 33rd AGM.
- Any member of the Company entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him, and that a proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.
- If you wish to appoint as your proxy any person other than "the Chairman of the Meeting", please insert the full name of the proxy (in block letters) in the space provided and delete the words "the Chairman of the Meeting".
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.
- A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorized.
- Please indicate with and "X" either "For" or "Against". If neither "For" or "Against" is indicated, the proxy will vote as he thinks fit or abstain from voting.
- The instrument appointing a proxy must reach the Registered Office of the Company at M-1F-1, M-1F-2 & M-1F-3, Pusat Perdagangan Kota Damansara, No. 12, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 24 hours before the AGM. The lodging of the proxy form will not preclude shareholders from attending and voting in person at the AGM should they subsequently wish to do so. Alternatively, the proxy form can be electronically lodged with the Company's Share Registrars at <https://investor.boardroomlimited.com> not less than 24 hours before the AGM.



PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Company's 33rd AGM and/or any adjournment thereof, a member of the Company:-

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 33rd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 33rd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes").
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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AFFIX
STAMP

The Company Secretary
NuEnergy Holdings Berhad
(Formerly known as ILB Group Berhad)
Registration No. 199101019353 (229690-K)
M-1F-1, M-1F-2 & M-1F-3,
Pusat Perdagangan Kota Damansara,
No. 12, Jalan PJU 5/1, Kota Damansara,
47810 Petaling Jaya, Selangor Darul Ehsan

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Fold This Flap For Sealing

www.ilb.com.my